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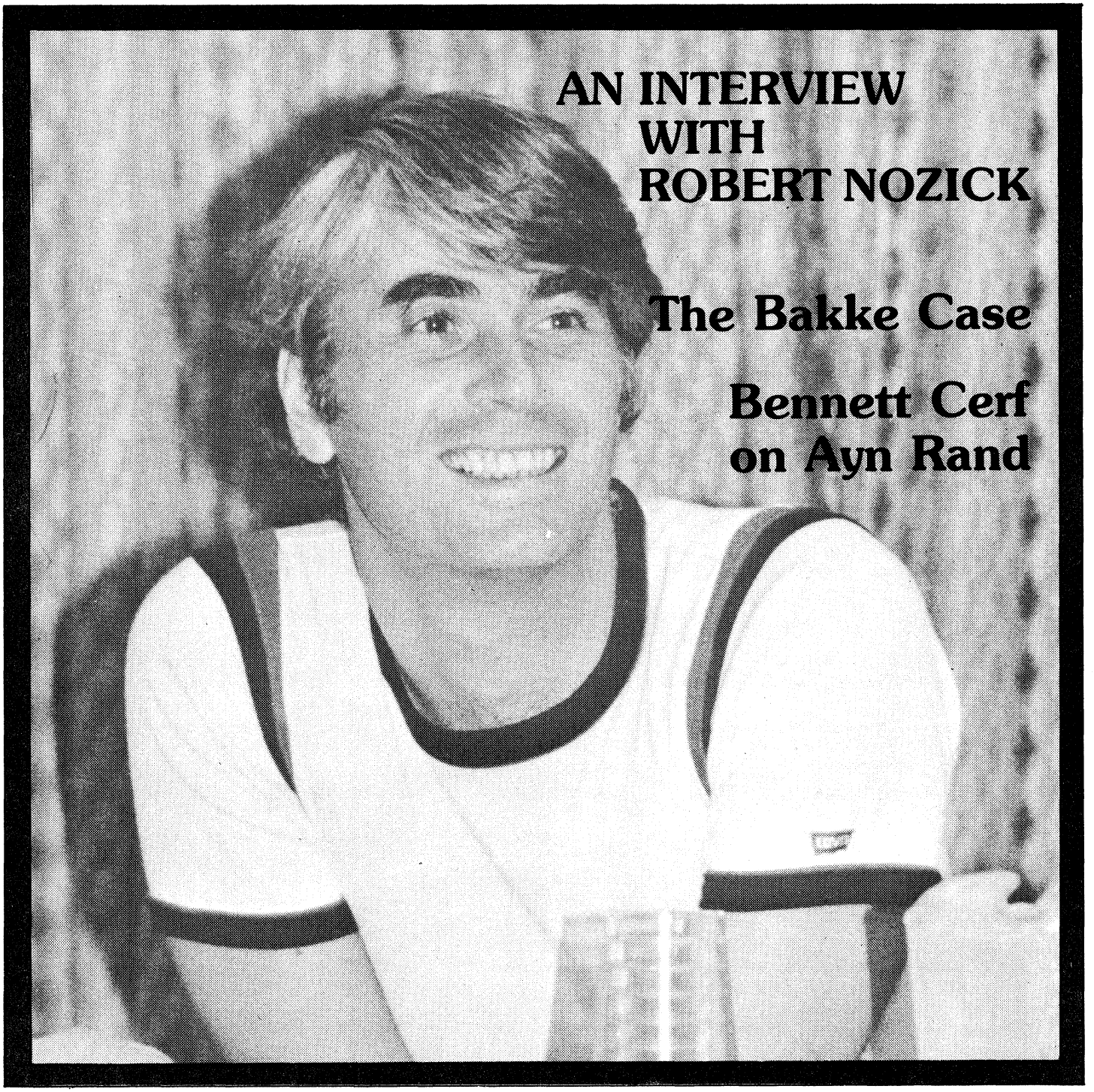

AN INTERVIEW WITH ROBERT NOZICK

The Bakke Case

Bennett Cerf on Ayn Rand

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Letters

Noam Chomsky on Cambodia In LR (Sept. 1977), Murray Rothbard quotes the following statement from a review by Jean Lacouture of a book by Father F. Ponchaud on Cambodia: "When men who talk of Marxism are able to say... that only 1.5 or 2 million young Cambodians, out of 6 million, will be enough to build a pure society, one can no longer simply speak of barbarism" but rather "only madness." In a footnote Rothbard then claims that "Chomsky and Herman brusquely dismiss such statements of Cambodian officials simply because they appeared in the Thai press," referring to our article "Distortions at Fourth Hand" in *The Nation*, June 25 1977. He then comments as follows: "To dismiss any reported statements by government officials themselves merely because they were not authorized and published by the officials is a singular position for authors who presumably applaud the exposures of the Watergate horrors." The example illustrates very well Rothbard's concern for fact and logic.

The facts are as follows. Our article did not dismiss the statement to which Rothbard refers on grounds that it appeared in the Thai press. It did not appear in the Thai press. In fact, it is questionable that it appeared anywhere. Lacouture gives no source. In the book he was reviewing, Ponchaud cites an unattributed Khmer Rouge slogan: "One or two million young people will be enough to build the new Cambodia." In an earlier article in *Le Monde* Ponchaud claims, presumably on the testimony of refugees, that an unidentified Khmer Rouge military commander had stated that "To rebuild the new Cambodia, a million people are enough." We thus have three statements, differently phrased, differently attributed, with different numbers. We noted that "this is one of the rare examples of a quote that can be checked," and commented merely that "the results are not impressive," an understatement, I would think. In fact, in context it is quite unclear what is the import of the statement, if indeed it was ever made. It is remarkable that Lacouture and Rothbard cite this "evidence" as the basis for the conclusions they draw from it.

Elsewhere, Lacouture claimed that Ponchaud cites "telling articles" from a Cambodian Government newspaper, and quotes a paragraph, concluding that the Cambodian revolution is "worthy of Nazi Gauleiters." In his "corrections", which Rothbard cites, Lacouture noted that the source was not a "telling article" in a Cambodian Government newspaper, but a report in a Thai newspaper of an interview with a Khmer Rouge official who said, allegedly, that "he found the revolutionary method of the Vietnamese 'very slow' . . ." (Lacouture). The paragraph that Lacouture quotes is by the Thai reporter. As we noted, this is "by now, a sufficiently remote chain of transmission to raise many doubts . . . What is certain is that the basis for Lacouture's accusations . . . disappears when the quotes are properly attributed: to a Thai reporter, not a Cambodian Government newspaper." This is the "brusque dismissal" to which Rothbard refers.

We have since obtained a copy and translation of the original Thai newspaper article, and have discovered that the chain of transmission was in fact still longer. The Thai reporter is quoting someone who is reporting a conversation with an unnamed Khmer official in Paris. Furthermore, it turns out that the Thai reporter is using this report to question the atrocity stories about Cambodia appearing in the Western press. Not only is the chain of transmission too long to carry much credibility, but the context is quite different from what was represented.

Why should the Thai reporter have used this alleged interview to counter Western propaganda? The full report, which I cannot reproduce here, explains. What is important here is that Ponchaud misrepresented the Thai newspaper report, just as Lacouture misrepresented Ponchaud, thus further justifying the natural skepticism about the lengthy chain of transmission. As for Rothbard's comparison to Watergate, not that Lacouture's conclusions were based on his misreading of Ponchaud's report of a Thai report of an alleged statement by an unnamed Khmer official (omitting Ponchaud's missing link and the crucial context). Suppose we were to read a report by a French leftist hostile to the US government of a report in a foreign newspaper of an alleged statement by an unnamed official in the Nixon Admistration? Just how seriously would we have taken such "evidence"? Would it really bear comparison to the Nixon tapes?

As for my "applauding" the Watergate exposures, the reader who is more concerned with fact than Rothbard may consult articles I have written on the Watergate farce: e.g., introduction to N. Blackstock, COINTELPRO, Vintage.

Rothbard states that Lacouture's corrections "do not affect the substance of his argument." I urge the reader to pursue this question. Lacouture's argument is based entirely on references to Ponchaud. In fact, not a single quote or explicit reference stands up to investigation.Lacouture, I am sure, would be the first to agree that his corrections (which are not complete) very much affect the substance of his argument, since they eliminate its factual basis.

Perhaps I should stress an elementary point of logic. While Lacouture's argument collapses, it does not follow that his conclusions are false. Similarly, our very partial exposure of the stream of falsifications and deceit in the media imply nothing one way or another about the actual situation in Cambodia. Our concern in the article that Rothbard cites, and mine here, is with a different topic: the functioning of the state propaganda system (in particular, its exploitation of Lacouture's review) as it works to reconstitute the ideological system bruised by the American war in Indochina, and the remarkable willingness of many intellectuals to enlist in this cause, hardly something new in history. Specifically, it may turn out that Rothbard's conclusions are correct, though his "argument" is hardly more than a

continued on page 36

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Libertarian Review

DECEMBER 1977

ARTICLES

9 THE CASE AGAINST THE MINIMUM WAGE
By David R. Henderson
Supporters of the minimum wage claim that it will raise wages for the poor, but in fact it will only increase unemployment, particularly among unskilled minority youths.

10 AN INTERVIEW WITH ROBERT NOZICK
By Albert Zlabinger
The author of *Anarchy, State and Utopia*, defender of a minimal state and "capitalist acts between consenting adults," discusses his conversion from socialism and a host of other topics in a lively interview.

20 THE BAKKE CASE
By Joan Kennedy Taylor
The controversy over reverse discrimination and affirmative action has reached a crisis point in the Bakke case, now before the Supreme Court. What are the issues, and which side is right?

24 AYN RAND AT RANDOM
By Bennett Cerf
From his recent reminiscences, Bennet Cerf discusses his relationship with Ayn Rand at Random House.

28 A RIGHT-WING REUNION: THE 1977 CONVENTION OF THE YOUNG AMERICANS FOR FREEDOM
By Tom G. Palmer
Are the members of YAF defenders of freedom. LR contributor Tom G. Palmer looks at a recent YAF convention.

DEPARTMENTS

2 LETTERS

4 EDITORIALS

6 CROSSCURRENTS
By Walter E. Grinder

8 WASHINGTON WATCH
Unemployment and the Wedge
By Bruce Bartlet

31 BOOKS AND THE ARTS

The Nationalization of Culture
By Janet Minihan
Reviewed by John Hospers

Mauve Gloves and Madmen, Clutter and Vine
By Tom Wolfe
Reviewed by Jeff Riggenbach

Inflation and Unemployment
By Milton Friedman
Reviewed by Richard Ebeling

38 CLASSIFIED ADS

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Editorials

BAKKE AND THE SOCIETY OF STATUS

The Bakke case, as Joan Kennedy Taylor points out in her article elsewhere in this issue, has stirred up a hornet's nest in recent months, bringing the issues of reverse discrimination and affirmative action before the public eye in a way that cannot be ignored. But the Bakke case involves more: the issue, as McGeorge Bundy put it in a recent article in the **Atlantic**, of "Who Gets Ahead in America." We might go even further: who is to **decide** who gets ahead in America? For if Bakke loses his case, we will take a long step away from the Society of Contract, and yet another step into the darkness of the Society of Status.

These two concepts, as the great Isabel Patterson pointed out in her masterwork, **The God of the Machine**, represent "two antithetic concepts of humanity, of the relationship of the individual to the group, two methods of association." Patterson writes:

> In the Society of Contract, man is born free, and comes into his inheritance with maturity.
>
> By this concept all rights belong to the individual. Society consists of individuals in voluntary association. The rights of any person are limited only by the equal rights of another person.
>
> In the Society of Status nobody has any rights. The individual is not recognized; a man is defined by his relation to the group, and is presumed to exist only by permission. The system of status is privilege and subjugation.

Let us look at the principles involved.

In a free society, with its numerous opportunities for employment, flowing from numerous owners of the means of production, and freedom of contract, anyone may legally hire anyone he wishes—for whatever reason. "Merit" alone may be considered, or other factors may be taken into account, in accordance with the values and goals of the employer.

The result is a vast diversity of hiring criteria in a free society—not all of them "morally legitimate" by varying standards, not all of them palatable to every member of society. A free society may, unfortunately, contain pockets of racism, as well as pockets of integration. It may contain segments of sexism—of either variety—and of equal pay for equal work. There may be areas where Italians choose to hire only Italians, women only women, where blacks hire only blacks, gays only gays, and anti-gays only heterosexuals. The results from this freedom of association are all legitimate from the standpoint of **individual rights**, even when they are not **morally** legitimate. The only rules imposed on all of society are those of tolerance and respect for individual rights. People have a right to live according to their own views, even when others find those views morally or aesthetically repugnant.

In short, we have what Friedrich Hayek calls the society of **spontaneous order**, a society where social order is fully compatible with diversity of all sorts. Some people may not admire the results, but they are left free to agitate against those results, so long as they do not use force or coercion—especially government coercion—to impose their own evaluations upon others. Racism may exist—although there will be economic incentives in a truly free market to eliminate it—but individuals acting in the private sector are also free to discriminate **in favor** of blacks.

In short, in a free society, answers to the question of "who gets ahead in America" will not be homogeneous, not always likeable: they will reflect the full diversity of opinions in society.

What McGeorge Bundy and others advocate is the precise opposite. Bundy sees affirmative action programs mandated by the State as a consequence of "our intent as a nation to get past our terrible inheritance of racism." What is threatened, as he sees it, "is the nationwide effort to open our most selective educational institutions to more than token numbers of those who are not white." Why? Because, he claims, "there is no racially neutral process of choice that will produce more than a handful of minority students in our competitive colleges and professional schools."

And so, to promote equality of results, not of rights, there must once again return to admissions applications and employment forms, that once-hated line: RACE . . . . . .

McGeorge Bundy is not alone in his concern. He represents a great many liberal social scientists who wish to use the power of government to advance social goals, and for whom earlier civil rights measures have not proved sufficient. But: sufficient . . . **for what?** Clearly the answer is: sufficient to promote blacks into key educational and employment positions in this country.

LR holds that while this is a proper goal for individuals and private institutions, it is not a proper goal or concern of the State apparatus. The reason is twofold: first, the State has no right to discriminate on account of race—its actions should be colorblind; secondly, we must oppose with great ferocity any further attempts to place key social decisions in the hands of the State.

McGeorge Bundy is right: the issue before the court **is** "who gets ahead in America." But that is precisely why the State should be forbidden to manipulate what Pareto called "the circulation of elites," to establish the criteria of social advancement, and particularly to establish **race** as the crucial, distinctive, essential attribute which shall determine success or failure.

And make no mistake about it: that is what the State is doing in the Bakke case. Of one hundred openings at the University of California Medical School at Davis, eighty-four were open to all comers, while the remaining six-

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teen were reserved for minorities alone. This means that if two people were equally qualified, **race** would be the deciding factor for sixteen admissions; if a "non-minority" student were **more** qualified by conventional criteria than a "minority" student, the minority student would be selected, again, with the distinguishing characteristic and deciding factor being that of **race**, and race alone.

Rather than being a tool to fight the consequences of racism, affirmative action institutionalizes racism, and proclaims that its consequences are to be continued indefinitely. It is the result of a stubborn, blind determination to treat blacks as a separate class of citizens, come what may. It will make race a permanent feature of discussion and concern in American public life.

Nothing could be more unjust—to blacks, as well as whites. The State declares to whites that their success may have to be sacrificed, in order to help blacks. It declares to blacks that they cannot make it on their own, as individuals, but must be treated differently from all other groups in society. Others can be treated as individuals; blacks must continue to be treated as blacks.

Such an attitude, we are told, is necessary to erase racism in this country. Just who do these liberals think they are kidding? Certainly not the majority of the American people.

But why **should** the government be allowed to set and enforce explicit criteria for success in America? Why should **it**, through legislative proclamation, administrative edict, or court decree, be allowed to decide who will succeed, and who will fail? Why should we place such a key aspect of society as **this** in the hands of the State apparatus, with its bureaucratic thuggishness, and its tendency to bend with every political wind? Can we long expect the white majority in this country to see **itself** as being discriminated against, and not to react against such policies?

Really, is **this** what "black pride" has amounted to? Is it **this** to which the civil rights movement has led? Is it **this** that has come out of the struggle against racism in this country? Are we to sacrifice liberty to equality, equal rights to special privilege?

What we must strive for in this society is a situation where blacks are treated as individuals to be separately evaluated on the basis of their personal qualities, on the basis of their separate attributes, competences, abilities, and character. We must stop treating them as tools in some social engineering experiment, some egalitarian plan gone mad.

Liberals may think that they can control "who gets ahead," but do they think that they can control private attitudes which will result, too? Can they control what is said behind people's backs? Reverse discrimination masquerades as a benevolent helping hand, but it sets the stage for a demagogue who could make George Wallace look like a boyscout.

This is no laughing matter, and it is high time that liberals abandoned their cozy classrooms and thier cocktail parties to acquire some contact with the rest of social reality. Liberals are today so out of touch with that reality, so caught up in their models of planning and social engineering, that they do not realize how the average citizen feels about reverse discrimination and the like. How average American respond to public polls is one thing; their private feelings are often altogether different. Instead of feeling part of a grand experiment to rid the nation of "our terrible inheritance of racism," they may well feel that **they** are being discriminated against because they are **white**, and that someone else was hired or promoted above them **not** because of competence or merit, but because he was **black**.

Once that suspicion sinks into the American psyche—and it is beginning to—all the progress that blacks have made over the past decade and a half will be threatened. The American people have felt guilty about discrimination against blacks—and many of them ought to, for that discrimination is notorious—but now they are beginning to feel resentment. For a while they saw black progress as earned, although even that was often a grudging admission on their part. Now they are beginning to see it as a consequence of special privilege—moreover, a special privilege which makes whites its victims. They may even see progress which **really is** earned as instead being a result of "reverse discrimination," which would rob upwardly mobile blacks of social recognition for their achievements. That is only the most cruel result of reverse discrimination.

Like it or not, these are facts, social facts, if you will. They must be taken into account by any social policy. Liberal must face them, or run the risk of gravely injuring the very people they wish to help. They must at long last go beneath the surface.

To obliterate the legacy of racism, we must all adopt a fierce determination to judge blacks as individuals, and not first and foremost as blacks—blacks who have to be avoided and suppressed, **or** blacks who have to be coddled and helped with "special programs." Jesse Jackson seems to be nearly alone among black leaders in realizing that blacks not only must make it on their own, but that they **can** do so. It is no help to anyone's self-esteem to establish the legal principle that they are to be treated as social cripples.

There are those who will respond that what we advocate is too slow to make up for past injustices. Then by all means: let us have those private programs which will make up for such injustices. We do not seek to delay redress for past injustices: we seek to prohibit further injustice. But the progress which will result from Libertarian programs, slow or fast, will have at least one advantage over the programs advocated by the Liberals: it will be **permanent and secure progress**, not subject to the whim of an electorate which can and may, at any moment, see itself as a victim, and decide that it has had enough.

For hundreds of years, human beings have been struggling against the Society of Status, where a person's group membership is all-important to his success or failure. Only in the past few decades have blacks begun to reap the benefits of the opposite: the Society of Contract, with its inherent individualism. Let us not slip back into the racism from which we have only now begun to escape. Any "progress" made through the collectivism of the Society of Status would be only illusory. In the long run, blacks will be its victims, as they always have.

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Crosscurrents

By Walter E. Grinder

• **The YOUNG LIBERTARIAN ALLIANCE** is the youth arm of the Libertarian Party. The Party has recently published a tabloid newspaper, *Outlook*, for the Y.L.A. to be used for distribution mainly on college and university campuses. Bob Meier and Tom Palmer have done an excellent job of putting together a first-rate distribution piece. *Outlook* includes introductory articles stating the libertarian position on a variety of issues including: Drugs, Conscription, Energy, Foreign Policy, the Environment, Women's Liberation, Austrian Economics and the L.P. Convention in San Francisco, last July. Messers Meier and Palmer have done a great job on this paper, but it must now be circulated on campuses as broadly as possible if it is to have the effect that is warranted. To see how you can help, write to: Libertarian Party, 1516 P Street N.W., Washington, D.C. 20005.

• **AUSTRIAN ECONOMICS NEWSLETTER** The most exciting and important trend in the discipline of economics over the past five or six years has been the resurgence of interest in Austrian Economics. There is an intimate relation between the policy implications stemming from Austrian theory and the policy prescriptions inherent in the libertarian ethic—*laissez faire, laissez passer*. The rapid growth of Austrianism and libertarianism is not likely to have been coincidental. I think that libertarianism should therefore keep abreast of these developments in Austrian economics. Now, fortunately, they can, with relative ease. The **Austrian Economics Newsletter** (200 Park Avenue South, Suite 911, New York, NY 10003, Annual subscription rate $6 for three issues) is an independent project, sponsored by the Center for Libertarian Studies. The editor is Gary Short, doctoral candidate in economics at the University of Virginia, and the managing editor is John Kunze, graduate student in economics at New York University. This is a publication devoted to facilitating the flow of information among the widespread and growing network of Austrian economists. Messers Short and Kunze are to be congratulated for their work in bringing to the Movement this very welcome addition to the literature.

• **MORE ON AUSTRIAN ECONOMICS**. One of the key indicators of growing interest and work in Austrian economics is the publication of the series, **STUDIES IN ECONOMIC THEORY** published by Sheed, Andrews and McMeel. This series is an important combination of additions to the literature and reprints of key titles which have unfortunately been either out-of-print or otherwise inaccessible. The new works are: (1)**The Economics of Ludwig von Mises: Toward a Critical Reappraisal** edited by Laurence S. Moss ($12.00 hardcover, $3.95 paperback); (2) **The Foundations of Modern Austrian Economics** edited by Edwin G. Dolan (This is a particularly useful introduction to Austrian theory,) ($12.00 hardcover, $4.95 paperback); (3) **Capital, Interest and Rent: Essay in the Theory of Distribution** edited by M.N. Rothbard ($12.00 hardcover, $4.95 paperback). These three are now followed with the two most recent additions: (4) **Economics as a Coordination Problem: The Contributions of Friedrich A. Hayek** by Gerald P. O'Driscoll ($12.00 hardcover, $4.95 paperback); and (5) **Capital, Expectations and the Market Process: Essays on the Theory of the Market Economy** by Ludwig M. Lachmann, edited by Walter E. Grinder. The two important reprints of the series are Israel M. Kirzner's **The Economic Point of View: An Essay in the History of Economic Thought** and Murray N. Rothbard's **America's Great Depression**. These books would serve very nicely as a vehicle around which to build an going study or discussion group, either on your campus or in your community. All of these books can be purchased through Laissez-Faire Books, 206 Mercer Street, New York, NY 10012.

In spite of the rapid and dispersed growth of Austrian economics, the New York City area remains the center of Austrian activity. New York University has within its graduate program a sub-program for young graduate students interested in learning Austrian theory. The key people in this program are Professors Ludwig M. Lachmann, Israel M. Kirzner, and Mario Rizzo. There are some substantial fellowships available to those qualified students who wish to pursue graduate studies in economics with an emphasis on the Austrian approach. For more information you can write to Professor Kirzner, Graduate Department of Economics, New York University, Washington Square New York, NY 10003. For information from the students' point of view, write to John Kunze, 62 Pierrepont Street, Apt. 1C, Brooklyn, NY 11201. In addition to the regular classes, seminars and colloquia, there is the Austrian Economics Seminar (AES) which meets monthly. The AES is a seminar whose members include not only the NYU students and faculty, but also other Austrian economists in the NYC area. Occasionally the AES has guest speakers. For instance, in late October, Roger Garrison presented his proposal for a very interesting Austrian-oriented dissertation he will be writing for completion of his doctoral requirements at the University of Virginia.

Besides the formal work done at NYU, the graduate students from NYU and other schools in the NYC area meet in seminars at the Center for Libertarian Studies. The incoming graduate students meet once a week to go

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through M.N. Rothbard's **Man, Economy and State** in a systematic fashion. The advanced graduate students meet weekly to discuss advance topics in Austrian capital theory. They are studying the works of Bohm-Bawerk, Hayek, Lachmann and Hicks.

• **RUTGERS UNIVERSITY** at Newark is also a good place for libertarians to be aware of. Austrian economist Dr. Walter Block teaches several advanced undergraduate courses there and he will likely be teaching a graduate course per term in the masters degree program. In addition to Block, Richard Fink, an Austrian economist who has his M.A. from U.C.L.A. and is finishing his doctorate at N.Y.U., is teaching several introductory courses and will soon probably be teaching more advanced courses. All in all, the NYC area is still where a large part of the action is in Austrian economics.

However, a large part clearly is not all. The Department of Economics at the University of Colorado at Boulder, in cooperation with the William I. Koch Foundation and the Economic Institute for Research and Education is sponsoring a lecture program entitled "The Austrian School of Economics: An Alternative to the Neoclassical and Marxist Paradigms". The first lecture was delivered in October by Professor Ludwig M. Lachmann, "History of Austrian Economic Thought." The others in the series will be delivered in March. On March 6, Israel M. Kirzner of New York University will speak on, "Austrian Approach to Competition and Market Process." On March 10 Steven Swiff of Metropolitan State College will speak on "Austrian Economics and the Rule of Law". On March 17 Richard E. Wagner of Virginia Polytechnical Institute will speak on "Austrian Economics and the Theory of the Public Sector". On March 24 Gerald P. O'Driscoll, Jr. of Iowa State University will speak on "Austrian Theory of the Business Cycle." This program is patterned after a similar, very successful series of talks given last year at the University of Chicago. For further information contact Professor Fred R. Glahe, Department of Economics, University of Colorado, Boulder, CO 80302.

Also at the University of Colorado in June 1978, under the direction of Professor Glahe, the Institute for Humane Studies is planning its third annual Instructional Seminar in Austrian economics. This will be a two-week seminar devoted to introducing Austrian theory to young college and university instructors, graduate students, and even highly qualified undergraduates. The previous two conferences, one at the University of Delaware and the other at Mills College in Oakland, California, were very successful, and the third is sure to be likewise.

Perhaps the most prestigious academic Austrian conference yet to be held is being arranged by Professor Mario Rizzo at New York University for January 7, 8, and 9. This conference, "Issues in Economic Theory: A Evaluation of Current Austrian Perspectives" is being sponsored by the NYU Department of Economics, NYU's Center for Applied Economics and the Institute for Humane Studies. Speakers will include Sir John Hicks, Nobel Laureate in Economics; Professor Harvey Leibenstein of Harvard University; Harold Demsetz of U.C.L.A.; Gerald P. O'Driscoll of Iowa State University; Leland Yeager of the University of Virginia and Mario Rizzo of NYU. Comments will be delivered by Ludwig M. Lachmann of NYU; Israel M. Kirzner of NYU; John Egger of Goucher College, Richard E. Wagner of Virginia Polytechnical Institute, Roger Garrison of the University of Virginia, and by Murray N. Rothbard of Polytechnical Institute of New York. For further information about this top-notch conference, contact Prof. Rizzo, 500 Tisch Hall, New York University, Washington Square, New York, NY 10003.

• **RACISM IN AMERICA**. Racism is a recurrent and haunting theme in American history whose roots are most difficult to trace. Leonard P. Liggio does a masterful job of tracing the origins of America's treatment of the native Americans as well as the Blacks to the manner in which the English earlier dealt with the Irish. See: Leonard P. Liggio, "English Origins of Early American Racism" in *Radical History Review*, Spring 1976.

• **NEW SPOONER ESSAY DISCOVERED** . Just think of it—a newly discovered essay by one of the greatest figures out of our libertarian heritage. Thanks to Carl Watner's diligent research into the works of the 19th Century American individualist anarchists, we now have available Lysander Spooner's **Vices Are Not Crimes: A Vindication of Moral Liberty** ($2.95 in paperback). This brilliant essay was first published anonymously in 1875 and has been out of print ever since. This edition includes a Forward by Carl Watner, an introduction by Murray N. Rothbard, and the essay on Spooner by Benjamin Tucker, "Our Nester taken From Us" in which Tucker disclosed that Spooner was the author of "Vices are Not Crimes".

I think that the Spooner essay will serve very nicely as a complement and as a balanced corrective to the similar but more abrasively presented position set forth in Walter Block's justly controversial **Defending the Undefendable**. The two works could serve as the topic for several weeks of discussion at a local study ggroup. For orders write to Janice Allen, TANSTAAFL, P.O.Box 257, Cupertino, CA 95014.

• **The Resurgence of Political Economy.** In recent years the discipline of political economy has remained a captured preserve of collectivist liberal, Marxist and other such statist-oriented economists. I'm happy to report that James M. Buchanan and Richard E. Wagner have helped to reverse this unhappy situation with the publication of their recent book **Democracy in Deficit: The Political Legacy of Lord Keynes** (Academic Press). This is not only an excellent critique of Keynesian inflationism, but it brings back into discussion the Hayekian insights about inflation causing the misdirection and malinvestment of resources, i.e., the core of the Mises-Hayek theory of the business cycle. These professors are both at Virginia Polytechnic Institute, and they have both recently become fare more receptive to "Austrian" ideas.

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Washington Watch

UNEMPLOYMENT AND THE WEDGE

By Bruce Bartlett

The Humphrey-Hawkins Bill was thought to have died a quiet death in the 94th Congress when the House Democratic Caucus asked that it not be brought up for a vote before the election: too many congressmen feared the political dynamite contained in the bill especially at a time when a large number of them were running for their first reelections.

The measure was revived again this year for two reasons: the failing health of Senator Humphrey, and the enormous pressure brought to bear on President Carter by Black groups and labor unions to make good on his campaign promise to support Humphrey-Hawkins.

The President did demand that substantial changes be made in the bill, and in the course of making revisions the bill was essentially gutted.

Whereas the original Humphrey-Hawkins Bill had set out to legislate a three percent unemployment rate, the new bill mandates four. Where the first bill required the Federal Government to hire as many people as necessary to acheive the goal, the new bill makes no such requirement. Where the original version ignored inflation, President Carter demanded a provision which requires that full employment be acheived in the context of price stability.

In its present form, therefore, the Humphrey-Hawkins Bill echoes the Employment Act of 1946, which already commits the Federal Government to achieving full employment (without setting any numerical figure). Under these circumstances, passage of the measure during the next session of Congress would seem assured.

Nevertheless, debate on the Humphrey-Hawkins Bill will be vigorous and heated. To many it has become the key issue of our time: Liberals see full employment as critical to their commitment for so justice; Conservatives fear the growth of government which it implies and the inflation that it guarantees.

Is there a program that can restore full employment which is not inflationary? The answer is yes.

The so-called "trade off" between inflation and unemployment—tacitly accepted by all parties to the debate—is utter nonsense. Milton Friedman, among others, has demonstrated that the statistical proof of the "trade off", called the Phillips Curve, is only valid under conditions of unanticipated inflation.

Once you realize that full employment *per se* is not inflationary, and that inflation does not create any employment at all (actually it destroys jobs), you can begin to ask the question: Is there a program which can restore full employment which is not inflationary and compatible with a free society? The answer is yes.

It involves the realization that over the years a huge wedge has been created between employers' costs and employee benefits. When you add up all the taxes and costs which stand between the total cost of hiring an employee and the employee's take-home pay the disparity is enormous.

Take, for example, a single worker earning $20,000. This worker is in the 38 percent tax bracket, meaning that he pays 38 percent tax on each additional dollar he earns. On top of this both he and his employer pay a combined total of almost 13 percent in Social Security taxes (under provision recently passed by Congress). **This means that, taking only Federal taxes into consideration, it costs an employer $1.00 to give his employee an additional 49c in aftertax income.**

In addition to Federal taxes, of course, there are any number of other taxes and government mandated costs which drive up the cost of hiring workers and reduce employee benefits: state and local taxes, unemployment insurance, OSHA costs, pollution abatement costs, government paperwork costs, and a host of others go into making up the wedge.

A reduction in this wedge, whether it is through a tax rate reduction, an elimination of government regulations, or a reduction in other costs of employment will, in effect, reduce the total cost of hiring workers to the employer while simultaneously increasing the reward for work to employees. The result will be increased employment opportunities and increased worker productivity at the same time.

This approach to the unemployment problem is still new and not fully accepted either by liberals or conservatives. Liberals hate to cut taxes because they prefer more government spending to reduce unemployment, while conservatives are afraid that the budget deficit may go up. The latter criticism is easily dismissed: an increase in employment guarantees an increase in government tax revenues and a reduction in government expenditures for unemployment compensation and make-work jobs.

The only major public figure to explicitly make the connection between tax rate reduction and full employment is Congressman Jack Kemp of Buffalo, New York. His Jobs Creation Act and Tax Reduction Act are the two principle bills in this area. His exposition of this approach has won him the support of virtually every major union and business leader in Western New York. It may be the wave of the future.

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MINIMUM WAGES
By David R. Henderson

The news media have uncritically reported the federal government's claim that the recently enacted increase in the minimum wage from $2.30 an hour will increase the wages of five million workers. This claim is untrue. A significant fraction of the five million workers will find their wages reduced—to zero—since these workers will be put out of work by the new $2.65 minimum. The government's estimates ignore the fact that the number of people working is inversely related to the wage employers must pay.

Imagine an employer deciding whether to retain a worker currently working at the $2.30 minimum. If he keeps him, he will be forced to pay him $2.65 starting January 1978. If the worker is productive enough that he is worth at least $2.65, the employer will retain him and the worker will be better off. This is the simple story that many proponents of minimum wages tell, and their story ends here. But, alas, the true story does not end here. His hourly output is probably not worth $2.65. It is probably worth about $2.30, the current wage. Why? Because of the employer's benevolence? No. Because of the employer's greed, and the greed of other employers. If the employer tried to pay the worker less than his value, a rival employer would spot a profit opportunity in luring him away with a slightly higher wage and making a profit equal to the difference between the value of the worker's output and the wage. As long as there is such a difference, there will be a profit opportunity for a rival employer. Therefore, the wage will be bid up until no further profit opportunity remains. The wage will equal the value of the worker's output. In economists' jargon, competition by employers drives workers' wages to equality with the value of their marginal product.

Since the value of the worker's product is about $2.30, the employer will fire him rather than retain him at $2.65 and lose money. This will happen throughout the economy. The effect on employment of an increase in the minimum wage is unambiguous. Many marginal, unskilled workers will lose their jobs. Thus my contention that the new law will reduce many workers' wages to zero.

This analysis does not depend on the employer's being able to afford the minimum wage. The employer could be Rockefeller and he would still fire workers whose productivity was less than the minimum wage. The disemployment effect of minimum wages results not from the poverty of employers, but from the low productivity of some workers.

Not surprisingly, the group of marginal workers is composed primarily of teenagers and young adults, with blacks representing a significantly larger fraction than their share in the population. The effect of the minimum wage on their fortunes is significant. UCLA economists Finis Welch and James Cunningham have estimated that the present minimum wage reduces employment of 14-15 year olds by 46 percent, 16-17 year olds by 27 percent, and 18-19 year olds by 15 percent of what it would be with no minimum. They estimate that further significant reductions in employment will result from the new law. Most economists' studies of the effect of minimum wages on employment have found similar results. Every time the minimum wage rises, the employment of marginal workers drops, and then rises slowly as inflation and increases in worker productivity ameliorate the law's effect. Many studies have failed to find an effect of the minimum wage on unemployment but this is a consequence of the way unemployment is measured. A member of the labor force is officially unemployed if he is out of work *and actively seeking work*. Many low productivity workers who lose their jobs due to the minimum wage become discouraged and drop out of the labor force. These workers are not counted as unemployed in the official unemployment statistics. This is small comfort to a discouraged worker.

The minimum wage has other adverse consequences. It increases the sensitivity of marginal workers to business cycle fluctuations. During a recession, the value of labor, marginal or otherwise, falls. However, the minimum wage prevents the wage of marginal workers from falling to reflect this lower value. Therefore, employers lay off marginal workers more than they would with no minimum wage. The minimum wage also turns jobs which combine low wages with on-the-job training into higher wage, deadend jobs. An employer offering a wage of $1.50 an hour plus on-the-job training costing $.80 an hour, will eliminate the on-the-job training if forced to pay $2.30. A recent study by Harvard economist Martin Feldstein reports a significant "deadend effect."

These adverse effects of the minimum wage are obviously serious, especially for young blacks. A significant fraction of the current generation of blacks will never have a career. They are priced out of careers by the minimum wage. A black student in one of my classes told me that when he visited his home in Philadelphia recently none of his friends on the block had jobs.

Why have so many politicians advocated increasing the minimum wage? Is it due to their ignorance of these effects? Probably not. Whenever hearings are held on minimum wage increases, economists of varied ideological stripes point out the adverse consequences. But there is one effect of which politicians from the Northern states are very much aware: the adverse impact of the minimum wage on industrial competition from low-wage Southern states. In the words of Senator Jacob Javits of New York:

> I point out to Senators from industrial states like my own that a minimum wage increase would also give industry in our states some measure of protection, as we have too long suffered from the unfair competition based on substandard wages and other labor conditions in effect in certain areas of the country—primarily in the South.

What is my stand on the minimum wage? I agree with the position the Supreme Court took in its 1923 decision in the Adkins v. Children's Hos-

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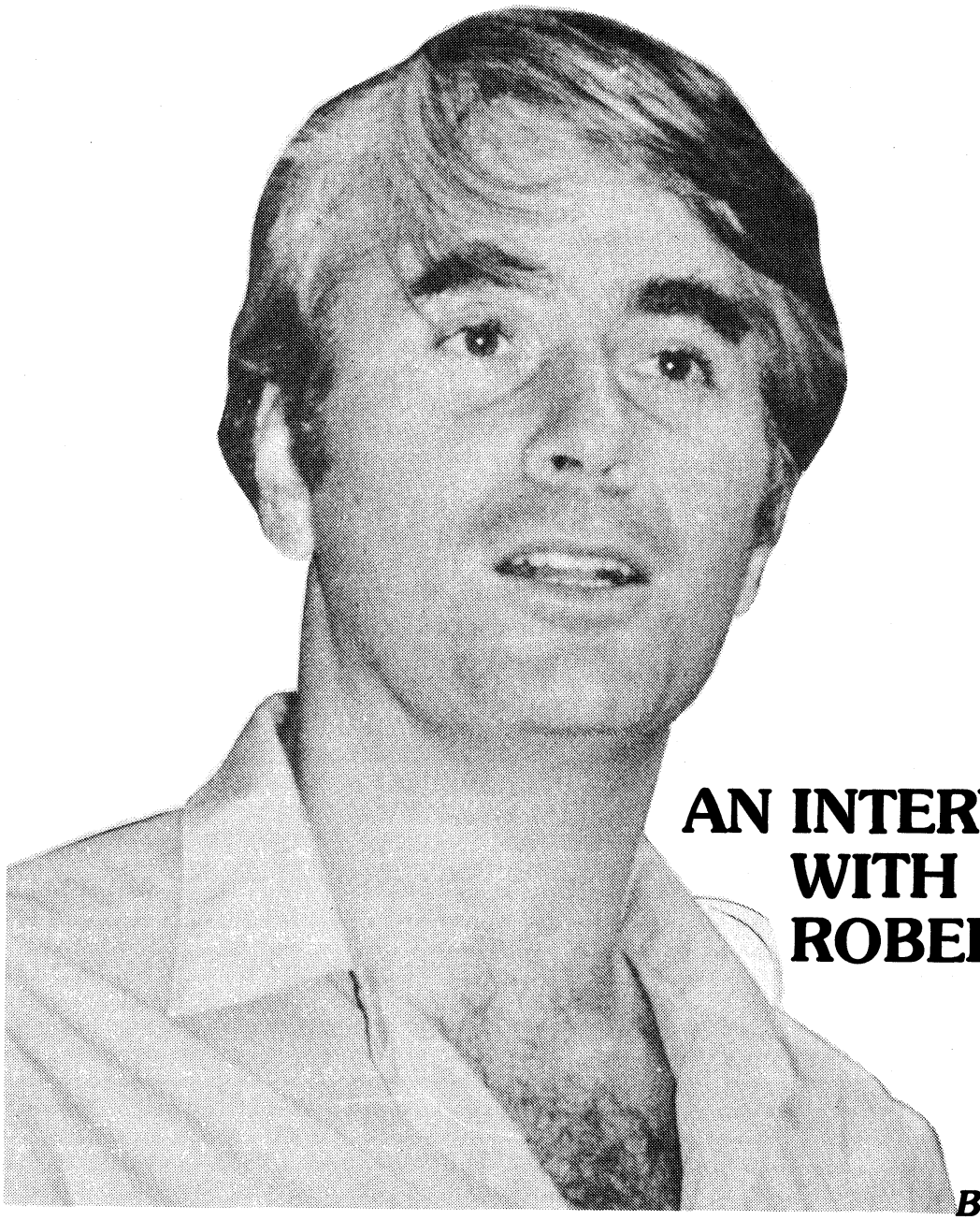

AN INTERVIEW WITH ROBERT NOZICK

By Albert Zlabinger

When Robert Nozick's National Book Award-winning treatise *Anarchy, State and Utopia* was published in 1974, it was a work eagerly awaited by Libertarians and non-Libertarians alike. For Libertarians, here was a wide-ranging heuristic work treating many problems in libertarian theory, a defense of a "minimum state" and of "capitalist acts between consenting adults." Establishment philosophers looked to the work for its critique of the theory of justice offered by John Rawls, and for its defense of an alternative view—the entitlement theory of justice. With that one work, Robert Nozick leaped into prominence as a defender of individual liberty, and as a political philosopher with few peers.

Robert Nozick was interviewed in August 1977 at the UCLA Conference Center in Lake Arrowhead, California, by Albert Zlabinger, professor of Economics at Valdosta State College in Georgia. In a wide-ranging discussion, Prof. Nozick discusses subjects as wide-ranging as his conversion from socialism, sports, and the nature of envy.

Robert Nozick was originally interviewed with the audience of World Research Inc.—the producers of the Incredible Bread Machine film—in mind. But after consultation, World Research, Inc., and *Libertarian Review* decided to publish the interview simultaneously, in the December issues of *Ink* and *LR*, to give it the widest possible circulation.

For more information about World Research, Inc., write to it at: 11722 Sorrento Valley Road, San Diego, California 92121.

The text of the interview follows.

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LR: Prof. Nozick, you mentioned some time ago that you have not always been a Libertarian. What were the important events and what was the process in your intellectual development by which you became one of the most respected defenders of individual liberty and minimum government?

Nozick: Well, let's not quarrel over the last description. I will just explain how I became a Libertarian. I came as a graduate student in philosophy to Princeton in 1959. It must have been around 1960 that there was another graduate student in the department who was already an articulate Libertarian. I had been a social democrat and was active in organizing a socialist group at Columbia where I was an undergraduate. I had drifted away from political activity, but I still thought of myself as a socialist. There would be various questions that would come up in discussions, to some of which I would have natural libertarian responses. I remember one in which we were talking about discrimination in resort hotels. Although I was personally averse to going to a hotel that would discriminate, one of the questions I remember being asked was, "Do you think hotels have the right to discriminate? Do people have the right to associate with like-minded people at resort hotels?" And I thought "Sure, of course they should be able to shape their lives the way they want to," although I myself didn't want to do that.

Those were easy questions for me. The hard ones were about economics and the economy. And this graduate student put me onto some of Hayek's writings. *The Constitution of Liberty* had just come out, so it must have been 1960 or 1961. I also read some of the essays in *Individualism and Economic Order*, especially the essays on rational calculation in a socialist society, and the impossibility of it. I thought, there must be something wrong with this and I'm going to find out what it is. The arguments bothered me; I couldn't see what was wrong, and I didn't want just to ignore the problem. Then I found myself undecided. I was no longer just trying to find out what was wrong with the view—which was my original intention—but first became undecided and then eventually became convinced of the general libertarian view. The rational calculation issue became secondary at that point, and I found myself having libertarian responses to a large number of questions. At first, though I had decided libertarianism was intellectually correct, I thought only bad people or mostly bad people would accept it, and that all the good people were on the left. So there was a period of time when I wouldn't tell people really quite what I believed. I would talk about particular issues, but I wouldn't unveil the whole range of the view because it would irritate them. Gradually, I became accustomed to the view.

LR: While this conversion was going on, do you remember any intellectual growing pains or emotional upheavals?

Nozick: I was unhappy over it—I mean I was pulled into libertarianism reluctantly. I did not want to think that it was the correct view. But I do not remember any specific trauma. Still, I thought of it then as a conversion. Conversion isn't right, but a massive change of view, an about-face. But I now no longer think of it that way, and I can explain, if you'd like, what the difference is. It's not that I minded an about-face—it showed how undogmatic I was, how open-minded I was, and so on. But now I don't think of it in quite the same way because I think when I was a socialist I was really an entitlement theory socialist. I thought, in other words, that workers were entitled to the fruits of their labor and that they were not getting it. Somehow some funny business was going on in society, and workers were being stolen from and exploited and. . . .

LR: What was the source of that conviction?

Nozick: It just seemed obvious to me. There were profits and what were they doing there? There were poor workers and rich bosses. It wasn't a highly intellectual position; it was . . .

LR: A gut level position?

Nozick: Gut level, yes. So unlilke some other people who came originally to socialism from egalitarian views, I really had a view that individual workers were entitled to what they produced with other workers, jointly in the factories. They were being stolen from somehow. So then it was rather easy, given that that was the motivation for socialist views. Once I came to think that workers were not being stolen from, but voluntarily contracted into working for certain wages, and I understood the functions that entrepreneurs performed, and also the functions of profits in society; that entitlement rationale for socialism fell away. I moved over to favoring the free market, and private property, and all that. From my current vantage point, it wasn't such a big change. I always had an entitlement view and just discovered what the right entitlements were. I was only making a mistake about the entitlements earlier. So it wasn't as big an about-face as I once thought. Unfortunately, it means that I was not quite as undogmatic as I once thought I was. I stuck with the entitlement view at the fundamental level.

LR: Has the set of philosophers that rank highly in your opinion changed since that time? In the early 60's, who were the philosophers that were your heroes? Who are your heroes today?

Nozick: I think I tend to rank philosophers, not so much on the basis of the content of what they say, but their skill philosophically. Now, that may sound to a lot of people like a bad distinction. I mean, they shouldn't be judged on whether they have the truth or not, or what I think is the truth. The history of philosophy is actually full of people who argue for rather wild and incredible views, and their reputations are based on the skill of arguing for them. It is not that anybody becomes convinced by Berkeley that maybe we really don't

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know that there is an external world existing independently of our sensations, but still he is an important philosopher because we do not know how to answer him. This is a purely professional criterion that leads to a certain respect for people in philosophy. I think I have kept those professional criteria. There are some libertarians in philosophy that I respect, and others not so much, even though they are libertarians. And some non-libertarians that I respect, and others not so much because of purely professional criteria. What counts for me is how good they are at constructing philosophical arguments and doing all the stuff that philosphers are supposed to do.

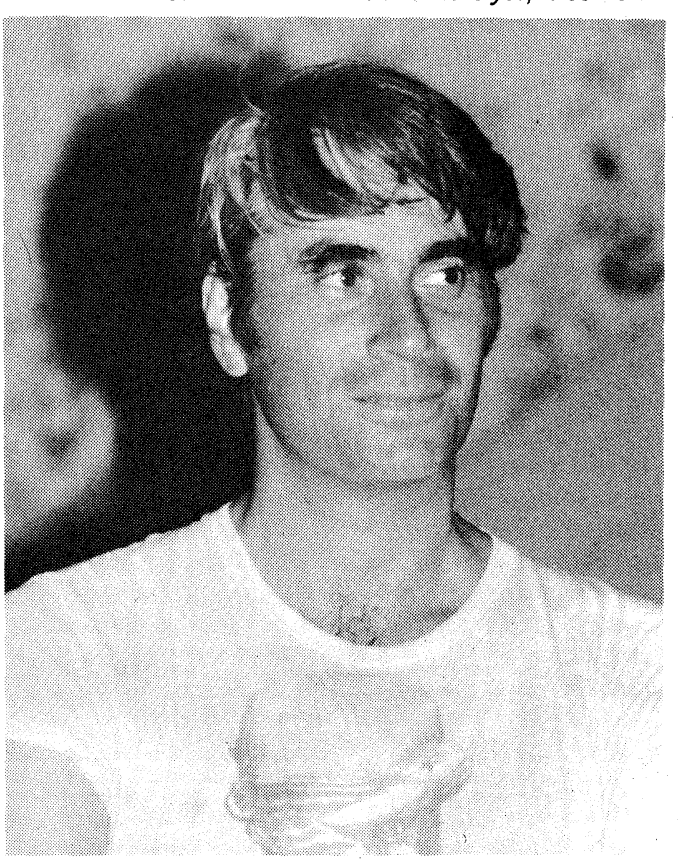
LR: Do you have respect for Marx as a philosopher?
Nozick: Not very high, no.

LR: Did you in the early 60's?
Nozick: I do not think so. I must admit I became more widely read in Marx after I became a libertarian than I was before. Because then I thought I had to know the best arguments against what I believed and had to read opponents of it. I think a lot of Marx was quite sloppy. There was all sorts of politically aggressive language when he lacked arguments for things. So I was never a big fan of Marx; though there was a time when it seemed to me, when I was an undergraduate at Columbia, that it was not possible to take a course without reading the *Communist Manifesto.* It seemed to be Columbia's way of showing that it was open to all ideas. The *Communist Manifesto* kept popping up in all sorts of courses. And there were jokes whether we would find it in a math course, or something like that.

LR: Exactly how active were you politically during the time you considered yourself a socialist?
Nozick: I was a member of a socialist student group called the Student League for Industrial Democracy, which was the youth branch of the League for Industrial Democracy. It was started in the early 1900's by Upton Sinclair and Jack London, and various other socialists. It was a Norman Thomas-type of organization. Its only activity when I was a member was to hold lectures on various campuses, and to advocate socialism strongly.

But in 1962 (if I have the date correct), which was after my membership and actual participation in the national board of that organization had expired, the Student League for Industrial Democracy held its annual meeting in Port Huron, Michigan. They issued the so-called "Port Huron Statement" and broke off from the parent organization, the League for Industrial Democracy, and changed the name to Students for a Democratic Society. So I was at one time actually on the national board of the precursor organization of the S.D.S.!
LR: Today you like to make it clear to people that you are not a professional libertarian, and that you dislike taking part in public political debates and activities. Do you think there is a moral obligation on the part of a gifted scholar to stand up for his views publicly? Or may he leave the task of "spreading the word" to others who might be more effective?
Nozick: Good question. Good because it is a question that will probably make me uncomfortable. So let me think about it a bit. . . . What I meant by not considering myself a professional libertarian was that I never viewed it as the most important activity of my life to advance the libertarian cause. I do not want to knock people who do. It is a noble goal, but I do not think of myself as a political person. The major public goals in my life are intellectual goals. There are various philosophical things that I want to work on and work out. So writing the book *Anarchy, State and Utopia* was my working at political philosophy and I, of course, hoped that it would advance libertarian ideas. But I never imagined that I would go on and continue to devote a major portion of my energy to libertarianism and the libertarian movement. I knew there were other areas of philosophy that I wanted to work on. I wanted to write on free will, the nature of knowledge, the meaning of life, and the nature of the self. (This is actually a plug for my next book.) So I never thought of politics as my important goal.

But now back to your question whether I have a moral obligation to advance libertarian ideas if I can do so with some skill and success. I think the answer is yes, to some ex-



Photos By Albert Zlabinger

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tent I do; and I cannot say that I saw the writing of my book as fulfilling that obligation. I was really doing that out of personal motives. Also, I wanted to say those things, and I thought they would be received with interest. So occasionally I now offer courses at Harvard I perhaps would not choose to give if I was concerned only with what I felt like teaching. But I think it is important that libertarian students at Harvard find some course they can come to to work on libertarian ideas, and even to meet each other in these course, and that other students learn something about libertarian ideas also. It's not that I'm a propagandist, but I think it is important to bring those ideas before a student. It is true that I have turned down a lot of other public occasions such as T.V. appearances, radio spots and things like that. I do this in order to preserve my private life and to be able to work on other things.

LR: So you want to protect your scholarly sphere for the purpose of more important work, really.
Nozick: Yes. I suppose I am also making some estimate of the probability of my success or of the sort of effect that I would actually have. Look, if I thought that if I really went out and spent the next few years devoting all of my energies to propagating libertarianism, that then we would have a libertarian society, I would certainly go out and do it. I think it is very important to have a libertarian society. But I am doing some expected-value calculation and weighting of the importance by the difference in probability that I think my activities would make, and I guess I do not think it would make all that much difference.

LR: If somebody told you that you had a very good chance of becoming President of the United States if you ran on the Libertarian Party ticket, would you accept the nomination?
Nozick: God! Would I accept the nomination? I don't like to think that anyone is indispensible in various ways. I would certainly cast the ballot with all my might to someone else who could succeed better because I really would not want to have to spend time being President. I forget now who made the statement, "I would rather be right than President." As far as I am concerned, "I'd rather be wrong than President." Now, I would like to be right. I mean, I do not want to have faults or incorrect views. So that shows how much I don't want to hold political office. I actually thought this way even when I was a socialist way back. There was a time when (as a kid in high school, actually) I had very youthful ambitions to go ahead and become a socialist president of the United States or something like that. And then at some point, I thought, *well* . . . do I really want that? What sort of society do I want there to be? Then if there *was* that sort of society, what sort of life would I want to live in that society? Certainly I thought then, if there was a socialist society, I wouldn't have wanted to be a politician. And now if there was a libertarian society, I would not choose to be a political figure in a libertarian society. So why should I be a prisoner of the time that I am born in? It seems to me reasonable that I ought to think about what sort of society I want to live in and how I would live in that ideal society. I would work a lot in philosophy, and spend time with my family, and do various things like that. I don't see why the very unfortunate fact that we do not have a libertarian society should deflect me from what I really want to do with my life.

LR: Systematic thinking about economics was begun by philosophers, and you are one of the few modern philosphers who have returned to economics. Why has there been such a reluctance on the part of philosophers to deal with economic questions and use more precise and systematic analysis as well as go into the economic liberature? Do you have an explanation?
Nozick: Yes, certainly there was a long period of time when philosophers (even philosophers concerned with social philosophy or political philosophy) didn't think that economics was the important thing they had to know in order to keep working. I don't know whether I really can explain the reasons for the move away from it and then the move back towards it. One is that economics became more and more technical and mathematical, and some philosophers dropped off that wagon which they could no longer follow. But, of course, there are large numbers of philosophers now who really are mathematically quite proficient. Mathematical logic is now a branch of mathematics and is followed and worked on by philosophers, so I don't think that mathematics is the whole story; but I don't know what else there is to the story.

LR: How would you go about encouraging philosophers to deal with economic questions more seriously?
Nozick: I think that now it's not so clear that encouragement is needed any longer. I think the current atmosphere, in the United States at any rate, is that in order to work at political and social philosophy, one really has to learn economics plus connected things like decision theory, game theory, utility theory, etc. That is, theories that are actually dealing with individual choice and satisfy methodological individualist criteria. Now I haven't really explained how that change in atmosphere has taken place. To a very large extent, it was due to my colleague in the philosophy department at Harvard, John Rawls, whose book *A Theory of Justice* received enormous attention. It made heavy use of economics. Not in a way, I think, which is friendly to libertarian ideas but at any rate it had a great effect on the philosophy profession.

LR: Do you require courses in economics in the philosophy program at Harvard?
Nozick: We don't actually require it, but we certainly encourage our students who are interested in those questions

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to go and take courses in the economics department.

LR: Hayek once was accused of "being polite to a fault" towards socialists and accusing them of nothing more than simple intellectual error. Do you think that these social theorists who come up with recommendations for social reform which tend to infringe on liberty simply have a lack of understanding (that is, are subject to intellectual error) or can some of their actions and recommendations be explained on the basis of their being simply "mean"?
Nozick: I don't think "mean" is right. But I don't think its only intellectual error either. I am puzzled over it. I think there is some deep psychological explanation that one should offer as to why people just automatically reject libertarian ideas. Maybe that's self-serving. Maybe I don't want to say the ideas are obviously false so I am going to find some deep psychological flaw in those people to explain their rejecting libertarian ideas. I don't know of anything in the libertarian literature that really gets at that. Ayn Rand speculates about the psychology of people who are threatened by the idea of independent people who want to live their own lives. I don't even remember accurately how she explains it, but I think one wants to work on this and find some relatively deep explanation. I think it's going to turn out to be an uncomplimentary explanation for those people, discussing what sorts of festering motivations lead them to impose their will on others and to feel threatened themselves about being left alone as independent individuals. And it might well be that if we had a good theory and brought it to people's attention (though of course at first they would resist it), they would recognize those psychological motivations as being their own. Then they would be so embarrassed that they would want to transform themselves, and so on. Maybe not. Maybe they would then think up other reasons for their position. But one effect might be that if one saw that this was his reason for rejecting libertarianism, then he might wonder whether he really wants to be a person who is motivated in that way. Of course, if it's a sufficiently unpleasant sort of motivation, the answer would be no, and maybe that would really have an effect. That may be too optimistic an idea. However, I don't yet have an adequate understanding of the psychology involved.

LR: It is sometimes said that the case for equality in material well-being rests ultimately on envy and not on any well-reasoned arguments. Do you agree? Do you think that envy is ever justifiable or excusable on moral grounds? Should it be considered in making social policy? In other words, do you have a theory of envy?
Nozick: If envy means, look, somebody else has something that you do not have, and you wish you had it also—that's fine. That's not envy, yet. But there is a further thing that would constitute envy and that's if you can't have it, you would prefer that neither of you had it than that the other person has it and you don't. That's envy. I think it is a nasty, vicious, and awful emotion, and I cannot think of legitimate areas where it should play a role. If people are made unhappy by that sort of envy, I don't think that social policy should take account of it, that is, should act so as to reduce that envy. Sometimes one meets people who say we need more equality because there is this unhappiness created by inequality because envy makes people unhappy. That's *their* problem! They will have to find out a way to get rid of the envy. See, it's even the mere knowledge that somebody else is better off that makes some people unhappy. Now people on the left usually tend to focus on that kind of knowledge. They argue that if unhappiness is caused by the knowledge that something is happening in society then that's grounds for stopping the thing from going on. As a general principle, this is even unacceptable to people on the left. The example that I often use with students on the left is an interracial couple. Forget even public streets; the mere knowledge that there is an interracial couple in some private home might cause unhappiness to some bigots. That's *their* tough luck. That's not a reason for forbidding interracial couples. And I do not see—and I challenge these students to find the difference—why stopping people from being wealthy because the mere knowledge that they are wealthy makes other people unhappy differs from stopping interracial couples because the mere knowledge that they are there makes people unhappy. In neither case does it seem justified to do it. Now you have also raised the issue of to what extent envy really plays a role in leftist views. I think to some extent. I don't say this is the case for everyone on the left, but often when we dig around and question, we find things that look very much like envy.

LR: Do you think that in your own case in the early 60's, if you searched your soul, some of your motivations could have been traced to a feeling of envy?
Nozick: I can't remember, really. I don't know. I think of myself as generally unenvious. That is, I don't walk around wishing that other people did not have what I don't have; although I did sometimes walk around wishing I had what those other people had.

LR: To make individual freedom work—in all its dimensions, from freedom of personal behavior to economic freedom—it seems to me that a certain level of tolerance of others, and the ways that they are different from us, is required. Do you have a theory of tolerance? And in what social framework would you expect tolerance to be flourishing?
Nozick: I don't have a theory of tolerance. I think of myself as being relatively tolerant, but that may just mean that I am tolerant of some things that other people are not tolerant of. I know there are people in the libertarian movement that are really quite intolerant. I mean by that that I think of them as bigots. And certainly, in their personal behavior, they have the perfect right to exercise their intolerant preferences: in-

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vite only certain sorts of people into their homes and not others, choose the books of only some people and not others and, well . . . whatever. Are you suggesting that for a libertarian society to work, those libertarians really have to be more tolerant: that we can't have people being intolerant towards other ethnic groups for example? I don't want to be intolerant myself in that way, but I would hope that a libertarian society would work even if the people were intolerant.

LR: Well, once we had a free society I think that intolerance often would lead to legislation that tends to become inhibiting of freedom.
Nozick: I see. You think intolerance won't be tolerated and so we will get non-libertarian legislation to stamp out intolerance. Well, I would be willing to participate, I suppose, in some boycotts of certain sorts of intolerance. Look, I wouldn't favor legislation at all, but I would be willing to consider voluntary means to raise the costs of intolerance to some people. I suppose that would include not having all the friendly relationships with certain sorts of people who are very intolerant towards others in a way that I disapproved of. I think people have the right to be very intolerant towards others, but also that I have the right to disagree with them and not associate with them for that reason.

LR: How many libertarians are there at Harvard?
Nozick: Among the faculty, I don't know that I could name another hard core libertarian. There are people who are friendly to the free market, but who are not against paternalistic interferences with certain liberties, and others against this but not in favor of free markets and private property. I don't know of any other flaming libertarian on the whole faculty.

LR: Since your book came out have you had any problems at Harvard?
Nozick: I'm not aware of strong negative sanctions against me. I wasn't hired originally because people knew I was a libertarian, and thought that's what they needed in the philosophy department. I was hired on the basis of the sorts of things that I had written and purely intellectual grounds. I don't think my colleagues have ever regretted hiring me and I am well treated by the university. I'm not aware of other people who are against me because I was a libertarian, although no doubt there were all sorts of dinners and parties and things that I didn't get invited to by various people. Some students expressed a strong feeling about this. I had been at Harvard as an Assistant Professor in the mid-sixties and then came back in 1969 as a Full Professor. That was immediately after the student uprisings, building takeovers, and so on, at Harvard the previous spring. When I arrived in the fall of 1969, there was a philosophy course listed in the catalog entitled "*Capitalism.*" And the course description was "a moral examination of capitalism." Of course, for most students, then, it would be taken for granted that a

moral examination would be a moral condemnation of capitalism. But that's not what I intended. We were going to read critics of capitalism. But we were also planning to read defenses of capitalism, and I was going to construct some of my own in the lectures. Some of the graduate students in the philosophy department knew what ideas I held, and they weren't very happy about a course being taught in the department defending those ideas. Now it was true that there was another course in the department on Marxism by someone who was then a member of the Maoist Progressive Labor Party and students did not object to that. But still some students objected to my giving a lecture course on capitalism. I remember early in the fall (I guess I was scheduled to give the course in the spring term), a graduate student came to me at a departmental reception we had, and said, "We don't know if you're going to be allowed to give this course." I said "What do you mean, not allowed to give this course?" He said, "Well, we know what ideas you hold. We just don't know whether you will be allowed to give the course." And I said, "If you come and disrupt my course, I'm going to beat the shit out of you!" And the student was taken aback and said, "But you are taking all this very personally." And I said, "What do you mean, personally? You are threatening to disrupt *my course*! you can do other things; you can stand outside the room and hand out leaflets. You can ask students not to register for my course. But if you come into my classroom while I am lecturing and

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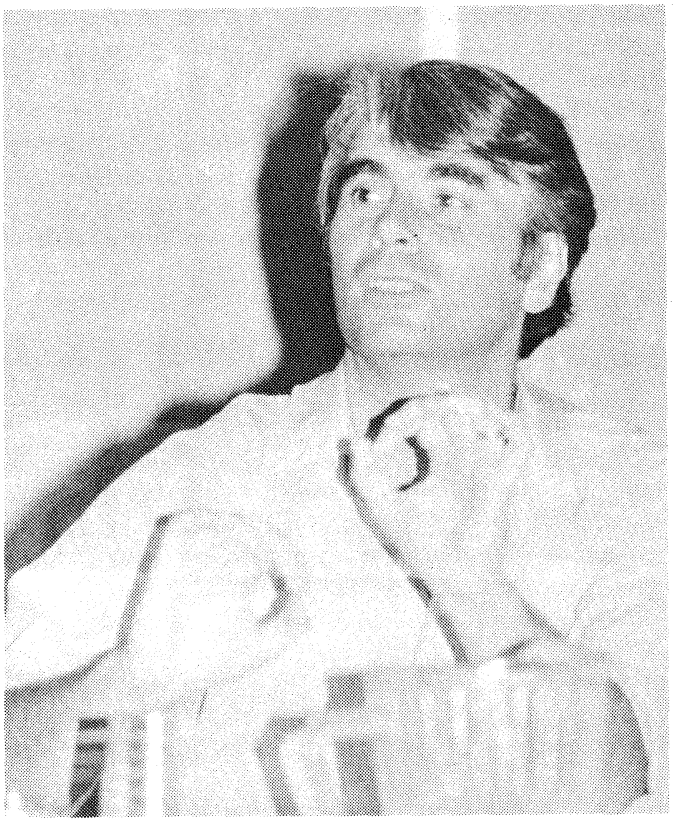
disrupt the class, then I take that very personally." In fact, at some point later in the term, this student and some others said they were going to make up leaflets and hand them out outside of my classroom. I said, "That's fine; that would be really exciting." Then they didn't get around to doing it, and so I prodded them, "Where are the leaflets? I was counting on something special happening with the leaflets." But it turned out that it was a lot of trouble to write up a leaflet, to get them run off on a mimeograph machine, and so they never got around to doing it. Thus I never had the privilege of being "leafleted" at Harvard. It seemed to me that sort of antagonism only lasted for a very short period of time and diminished fast. There was no longer any strong personal animosity after that. Maybe it was the general toning down of things in the country in the early 70's, and I just benefited from the de-radicalization of the university.

LR: Let me ask you a question about the issue of academic freedom. Several well-known academicians have gone to Chile in the last few years supposedly to advise its government. In their opinion, they were within the boundaries of academic freedom. However, the left has very much criticized them. What was your feeling about that?
Nozick: I haven't looked into it in great detail, although I have heard the stories about some Chicago professors. I think I myself would refuse to do it; or I would feel that if I went down there to offer them certain sorts of advice, I would have to make it a special point (and not just perfunctorily) to criticize and argue against the things I objected to. I don't know if even that would be enough. But if I decided that great benefit could be produced by my going down there, I would feel I had to do all I could to shift the view. Now I don't know that any of the people from Chicago made big pests of themselves when they went down there about other sorts of things that they weren't asked advice about. I myself could not bring myself to go and just offer technical advice, even if that would increase freedom within the economy, and all that, without talking about other issues as well.

LR: You then feel an obligation that if you were in that position, to be outspoken about, say, the abuse of police power and the practice of torture?
Nozick: Yes. But I also don't like to be associated with things that I disapprove of. One of the ways in which I am affected is with regard to financial support. Many academics receive money from the government in one way or another: from the National Endowment for the Humanities, from the National Science Foundation, from tax-supported funds. I have refused to accept any of that money. I'm not saying that everyone in academic life should do so. There was a time when I tried to work out good reasons for my taking it. You know, after all, I'm being taxed and here's a way of getting some of it back. I could use it for good purposes, while



other people would use it for bad things. But it just didn't add up. I get a good salary at a good university. Maybe other academics should be taking government money, but I don't think I should.

Now the National Endowment for the Humanities kept calling me up and wanted to push money on me. It was a very weird and strange thing, and I don't know why they especially wanted to do it. I just kept refusing it. They asked me to serve on some of the committees dispensing money, and I refused though it's there that one can channel money to people who are doing good work, or what you think is good work, but I wanted no part of it. I had similar contacts with the Smithsonian also. At some point I just had to say, "Look, here's why I don't want to do it." At first, I was really trying to spare their feelings. I didn't want unpleasant conversations. And finally I just said, "I morally disapprove of your whole thing for the following reasons, and don't call me again because I'm not going to accept it, and I don't want any of it or any part of it." And there was sort of a stunned silence at the other end. I do not know if anyone had ever refused this money before. Actually, there's one other occasion when I went to great lengths—lengths that may now seem a little excessive, but it was part of the same issue. After my book appeared, Columbia University was holding a special university seminar which is attended only by faculty members at Columbia and some others around New York City. They invited me to give a talk and a paper on political philosophy for a free. They had this government money to spend, and

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they were required to show that there was reading material that had been sent to everyone who had attended. I thought, all right, I won't accept the fee, but they could use that money and buy copies of my book and not give *me* money. To assure that I wasn't receiving any money, I arranged with my publisher to allow them to buy this number of copies of the book at a low price so that I wouldn't receive any royalties for it. To be sure, I liked the idea of all these people around New York City getting copies of my book, and maybe reading it, but I thought that was a way of cutting myself off from this money. And it had a certain effect, because I remember during a break some of the people who had known that I wasn't accepting this money came up and wanted to talk about it. So there is a way that libertarians can show how much they really do care about their ideas and ideals by making certain personal sacrifices in order to live in accordance with their principles—in the same way that some people, especially the civil rights workers during the 60's and so on, were willing to run the risk of being beaten up and so on to convince others that they were not just talking. If libertarians showed that they are willing to lose financially in order to adhere to libertarian ideas, then other people would become interested and want to hear more about it. If an idea if powerful enough to get you to give up money, they want to hear about it. So I recommend to some libertarians that they do this in some public way.

LR: Your last answer brings up an interesting issue: the link between individual freedom and morality. It would seem that the less individual freedom there is, the less there is a possibility for a moral existence. That is, a moral life requires a possibility of free choice.
Nozick: Yes, but, look, how do we as libertarians feel about this? I want there to be certain penalties for doing certain sorts of things. I don't want people to be free to violate liberty. Now, somebody can come along and say, "Well, that reduces the opportunity for morality because their choice is reduced. They're not free to violate my liberty, so they can't morally choose not to violate it." But that's the way I want it. I don't want them to be allowed to violate my liberty. And if they are not able to make a moral choice to violate it or not to violate it, then that's all right. Actually, even if there is a law, I suppose whether they are acting morally or not depends on *why* they are doing what they're doing. And it may be hard to disentangle. But, right now there is a law against murder, and neither of us, as we're holding this conversation, is murdering the other. Now if the reason that we are not murdering is because of the law, then we are not acting morally. But if the major reason is some other reason, for example that we think people have a right not to be murdered, then we are acting morally. It depends on what our reasons are for our behavior. The existence of the law doesn't stop us from behaving morally. We are now behaving morally in not murdering each other because we have moral reasons for not doing it. We are not refraining from murder solely because of the penalty. So I do not accept the view that the legal penalties and restrictions on freedom of certain sorts make it impossible for people to act morally.

LR: As an economist, I am particularly concerned with restrictions on economic freedom and their consequences for a moral existence. If we take your example in which government holds out the money carrot, and this becomes the most important source of income for educators, since private sources are drying up because of the unfair competition by government in education, then an educator is put into a position where he is in essence committing an immoral act by accepting money that was forcefully taken from others. Would you agree? Let us assume we are talking about a young instructor at a small poor private college, rather than a recognized scholar from a well endowed eastern university who has easy access to private grants.
Nozick: Yes, if the only way he can support himself at some intellectually exciting project is by accepting government money, I don't feel that I am in a position to tell him *not* to do it. It's just that none of the cases I thought of fit me, unfortunately (or fortunately!). So it didn't add up with me legitimately. But, yes, if you think (as I do) that it would be better not to take it, then various government actions make it harder for people to act in a moral way. And that's a cost of the activities that is not usually taken account of.

LR: Let us shift gears a little bit here. You have seen the *Incredible Bread Machine* film, haven't you? What did you think of it?
Nozick: Yes, I have seen it, and I thought it was a very effective film.

LR: What is your opinion of the effectiveness of film as a medium to spread ideas about the free society? Do you think it is a good alternative for putting Robert Nozick on the lecture circuit?
Nozick: I think films can be extremely effective. *The Incredible Bread Machine* is an excellent example. Film is becoming more and more important, not just as an educational thing, but even in the intellectual world. I mean, I notice now that many young people who, when I was young myself, would have wanted to become poets or novelists, now want to make films. I'm not sure I can say why, but making films has become the mode of intellectual expression of the young generation. As a matter of fact, it would be very nice to have some people in the film industry friendly to libertarian ideas. I don't mean just educational films, but films for general audiences that are entertaining. I don't see why libertarian ideas shouldn't be in there in the same way that leftist ideas are in films.

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LR: Are you implying that the film industry today is leaning towards leftist views?
Nozick: Well, I really don't know where it leans in general. I suppose it's certainly more oriented towards leftist ideas than towards libertarian ones.

LR: What about television? Do you think that T.V. programming, maybe due to the heavy regulation of this industry, has a leftist or welfare state slant?
Nozick: I don't know. One area which I think doesn't is certain sports programs. I think sports is one of the realms on T.V. in which the viewers really value individual excellence; they don't want mediocrity, they don't want everybody to be the same, and they don't mind stars.

LR: So there is no egalitarianism in sports.
Nozick: That's right. We don't mind great stars, and we love to watch people who excel at things. Maybe we could find some libertarian athletic heroes who will come forth and comment on why people like to watch excellence in sports and don't feel resentful and envious. I think I'm a pretty good ball player as ordinary people go, but certainly nothing close to anyone professional. But when I go watch professional sports, which I do more now because my children are now old enough to be intersted in going to see professional sports, I take great pleasure in it. I don't sit there, even though I can't do what those athletes are doing, and think, "Oh, how awful, I can't do it, I wish they couldn't do it." It's one of the pleasures of life to see other people excelling.

LR: Can you explain why we accept excellence in sports but not, say, in economic accomplishments? Have we been conditioned in some way?

Nozick: I don't know. I mean, I never thought of sports as a libertarian activity. And I just have to think some. It is certainly an interesting question to raise.

LR: We also accept great personal wealth among politicians and film stars. But very many of these personalities advocate more government and more egalitarianism.
Nozick: Yes, I know. Guilt!—They enjoy their wealth in a guilty manner. I think if they feel guilty about it, let them give it away. I guess I find it especially offensive that they both have it, and feel guilty about it, and prattle about redistribution. Before, I said I really don't resent any people having wealth. But there was a time some years ago when I thought one should follow Nelson Rockefeller around at his political speeches where he was calling for various sorts of legislation that would lead to redistribution, and really heckle him seriously, or at least raise questions in the question period, about why he wasn't giving away his vast personal fortune—and also tell him we would listen to him only after he gave some of it away. Let him come down to the average income, or even to say $40,000 a year, and then we would listen to him talk about helping the poor. But there he is, with that enormous fortune. It's not that I begrudge the enormous fortune. What I do not like is his keeping the enormous fortune and going around talking in a holier-than-thou fashion about how the poor have to be helped. That I do resent.

LR: Speculation about the future course of our society covers the spectrum from a possibility of a peaceful and democratic change all the way to a revolutionary upheaval. Do you think that it will take a revolution, a violent revolution, in order to establish a freer society; or do you see a gradual approach possible, and, if so, are there any signs of positive change you would point to?
Nozick: Well, I don't know what signs I would point to that would support the gradual approach theory, but I also don't see any signs of a possibly effective violent revolution to create the free society. It seems to me quite unlikely that if there were a violent revolution in the United States now, or in the near future, it would be to create a free society. And if there was sufficient support for free society to give it even a chance in a violent revolution, then it would have a good chance of success even through the democratic processes that we now have. I say that in full realization of all the stumbling blocks to achieving a freer society by democratic processes. Special interest groups are a particular hurdle to the progress towards a freer society. But I don't think that I have any special qualifications for predicting the future. I don't mean to dodge the question. It's just that I don't think I have anything especially interesting or illuminating to say about how to get there from here. I would hope other people would be better at this than I.

LR: Thank you very much, Professor Nozick.

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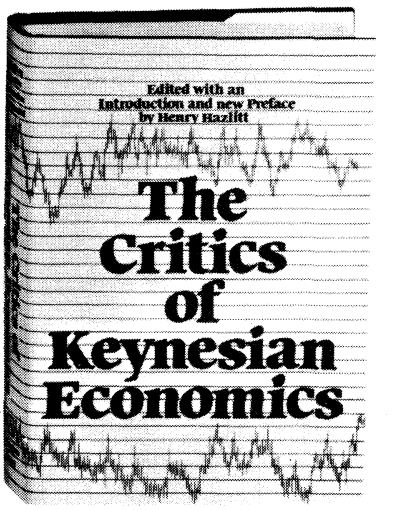
BACK IN PRINT: 22 master economists leave Keynes naked and shivering



For a generation after it appeared in 1936, Lord Keynes's *General Theory of Employment, Interest and Money* was Holy Writ for most economists. Yet it evoked major criticisms—many of them, however, buried in learned journals. Henry Hazlitt gathered nearly two dozen of them in 1960 for this important book. Together they comprise the most impressive refutation of Keynes ever assembled in book form.

The contributors read like an honor roll of free-market economists:

Ludwig von Mises	Arthur F. Burns
F. A. Hayek	Wilhelm Roepke
Jacques Rueff	Joseph Stagg Lawrence
L. Albert Hahn	John H. Williams
Jacob Viner	Garet Garrett
Melchior Palyi	Etienne Mantoux
Frank H. Knight	Franco Modigliani
Jean Baptiste Say	Philip Cortney
Benjamin J. Anderson	R. Gordon Wasson
W. H. Hutt	David McCord Wright
John Stuart Mill	Henry Hazlitt

Mill and Say of course antedated Keynes by a century. Mr. Hazlitt includes them because they constitute "a refutation in advance" of the *General Theory*.

Out of print for years, this collection includes a number of important essays otherwise hard or impossible to find in English.

Excerpts from a review by Murray N. Rothbard in *National Review*

Mr. Hazlitt has dug deep to unearth long-forgotten or even unknown criticisms of Keynes, published over the years since the *General Theory* appeared in 1936. As isolated essays or journal articles, they could be, and were, dismissed during the Keynesian hullabaloo. But, put together, they form an impressive and many-sided scholarly criticism of Keynes, on varying levels of political interest and technical difficulty. . . .

Hazlitt also earns our gratitude by including the long out-of-print presentations of Say's Law of Markets by J. B. Say and John Stuart Mill; for these nineteenth-century demonstrations that there can be no such thing as general "overproduction" or "underconsumption" on a free market are as fresh and valid today as they were a century and a half ago. The Sisyphean feat of Hazlitt and the other authors in pulverizing and clearing away the Keynesian rubble opens the way for a return to Say's Law and to those economists, like Ludwig von Mises, who have brilliantly built upon that law as a solid foundation.

While the Keynesian system is a tissue of fallacies, it is a mistake to dismiss it brusquely, as many conservative economists have done, as nonsense. It *is* nonsense, in the last resort; but failure to deal with its fallacies in detail and in depth has left the field of ideas open for Keynesianism to conquer. Now, at long last, we have . . . the ammunition to slay the enemy.

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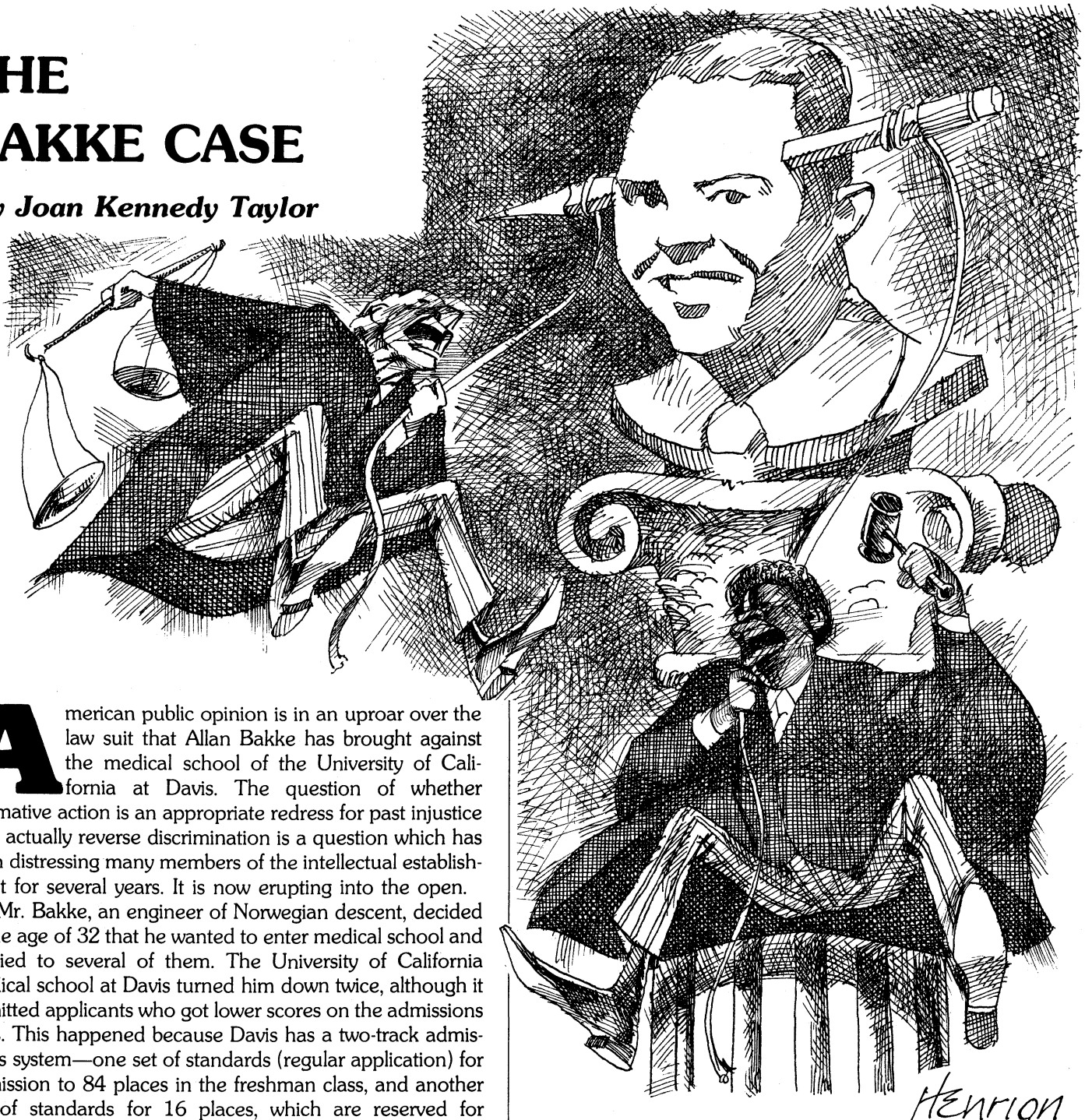
THE BAKKE CASE

By Joan Kennedy Taylor



American public opinion is in an uproar over the law suit that Allan Bakke has brought against the medical school of the University of California at Davis. The question of whether affirmative action is an appropriate redress for past injustice or is actually reverse discrimination is a question which has been distressing many members of the intellectual establishment for several years. It is now erupting into the open.

Mr. Bakke, an engineer of Norwegian descent, decided at the age of 32 that he wanted to enter medical school and applied to several of them. The University of California medical school at Davis turned him down twice, although it admitted applicants who got lower scores on the admissions tests. This happened because Davis has a two-track admissions system—one set of standards (regular application) for admission to 84 places in the freshman class, and another set of standards for 16 places, which are reserved for 'disadvantaged, minority students,' none of whom are white. As a matter of fact, 272 whites applied for these special places between 1971 and 1974, and none were admitted. At the same time, according to an article by Nathan Lewin in the October 1 issue of *The New Republic*, "Case records show that of 500 students admitted over five years, 49 'minority persons' entered through the 'regular applicants' process." In other words, members of certain minority groups (black, Asian and Hispanic) were admitted to the regular program if they qualified, and were considered again under the special program if they did not, thus in effect giving them a double chance to be admitted.

Bakke took the University of California to court for this practice, claiming that his right to equal protection of the laws, as guaranteed by the Fourteenth Amendment to the Constitution, had been violated. The Supreme Court of California agreed with him, and the University of California appealed to the U.S. Supreme Court.

In his article on the Bakke case in the *Village Voice* (on October 17) Nat Hentoff tells us that "Some 10 civil rights groups . . . strongly urged the University of California not to

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appeal. When the university insisted on going ahead, 22 civil-rights organizations petitioned the Supreme Court not to grant an appeal. The case was weak, the record was weak, the university's intentions were suspect. The Supreme Court said it would hear the case.

" 'At that point, we had not choice but to support the university, says an ACLU official. 'Since then, we've had to fight as hard as we can with what little we have.' "

One hundred and forty-six groups have filed friend-of-the-court briefs in the Bakke case. This is the largest number in history. Everyone agrees that it is not a strong case, but its decision may affect countless numbers of Americans. A *Newsweek* article of September 26 said: "Federally enforced equal-opportunity regulations touch the livelihood of at least 25 million American workers from steel mills to corporate boardrooms. They affect admissions procedures for hundreds of colleges and professional schools." The government has submitted a brief signed not by the Solicitor General, which is customary, but by Attorney General Griffin Bell, underscoring its importance to the Carter Administration. An appendix to the Government's brief lists fifteen major government programs which might have to be changed if Bakke wins his case. On the other hand, says an article in the *New York Times* of October 16, "if the university wins the case, it could mean an expansion of the government's efforts to improve the lot of blacks and others by requiring businesses, colleges and other institutions to accept fixed standards for employment and admissions." *Fixed standards*, of course, means numerical quotas.

BEFORE THE COURT

On October 12, the Supreme Court heard arguments from Archibald Cox, representing the University of California, Reynold H. Colvin, representing Allan Bakke, and Solictor General Wade H. McCree, Jr., representing the United States as a friend of the court. Each of the opposing lawyers was given 45 minutes to speak, and the Solicitor General had 15 minutes. Mr. Cox argued first, saying that although he felt there was a danger that numerically based programs to help minorities "will give rise to some notion of group entitlement to numbers, regardless either of the ability of the individual or of ... [his or her] potential contribution to society," the important reality for the Court to consider is that "there is no racially blind method of selection which will enroll today more than a trickle of minority students in the nation's colleges and professions."

The Solicitor General presented oral arguments in favor of a brief which has been the subject of a great deal of controversy, as it has been widely reported that a great deal of political pressure had been put on him by officials in the Carter administration to write a "political" statement strongly supporting affirmative action. Mr. McCree, who is himself black, presented arguments in favor of using race as one criterion for admission to government programs, but criticized numerical quotas and separate admissions procedures. The written brief urges the Supreme Court to send the case back to California for reconsideration, but in his oral arguments the Solicitor General "did not press this request," according to the *New York Times*.

Which side exerted the most pressure on the government depends on who you read: Stephen Arons in *Saturday Review* says: "A glimpse into the politics of Carter's decision comes from the experience of one cabinet member who attempted to get the administration to support the university's position. On March 18 of this year, Secretary of Health, Education and Welfare Joseph Califano told a *New York Times* interviewer that his personal experience indicated that affirmative action was a successful tool for bringing qualified minority persons and women into government, private employment, and the schools that qualify people for such work. The following week, President Carter was barraged with letters from 44 nationally known educators, including Sidney Hook, Nathan Glazer, and Bruno Bettelheim. On April 1 Califano recanted, claiming error in advocating the use of quotas."

But according to articles in *Newsweek* and the *Village Voice*, the "well-orchestrated attack" on the Justice Department came from leaders of the Congressional Black Caucus, the NAACP, and administration officials committed to affirmative action.

ODD POLITICAL ALIGNMENTS

It is clear that there are some powerful guns on both sides. Such periodicals as *The New Republic*, *Saturday Review*, *The Nation*, *The New York Review of Books*, *National Review*, *The Atlantic*, *The Village Voice* and *Newsweek* have all had cover articles about the case. The AFL-CIO is split down the middle about it; the American Federation of Teachers has a brief supporting Allan Bakke and five other unions have signed a brief supporting the University of California. Huey Newton, the former Black Panther Party leader, has come out strongly on the side of Allan Bakke; the NAACP is on the opposite side. The American Civil Liberties Union supports the University; the Anti-Defamation League of B'nai Brith has filed a brief on the other side. *The New Republic* calls the government brief "a shoddy political document," and ran an article calling "race Certification" the logical next step." The November *Atlantic*, on the other hand, has McGeorge Bundy, president of the Ford Foundation, saying "the question presented is whether any educational institution whose admissions are selective may consider the race of any person as an affirmative element in qualification for entry. What is directly threatened is the nationwide effort to open our most selective educational institutions to more than token numbers of those who are not white."

Although opposition to affirmative action has been considered a conservative position, the liberal *New Republic*

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and *Village Voice* are strongly opposing "reverse discrimination" with cogent arguments, while the conservative *National Review* ran on October 28 a favorable review of a 1975 book by Archibald Cox, the University of California attorney, called *The Courts vs. Self-Government.* The reviewer, Paul Connolly, says the book analyzes the only previous case in which reverse discrimination was charged, the 1974 DeFunis case, in terms of judicial restraint, suggesting that the constitutional principle was unclear and so "the people, not the courts, should debate and legislate a decision." He quotes Cox as saying that it is better for the Supreme Court to "permit the state educational authorities to form their several individual judgments concerning the balance of educational and social advantage than to deny them freedom to attempt conscious remedies for past racial discrimination by the dominant whites." This, says Connolly, is an incisive definition of "the problems and concerns which will likely be expressed in the Bakke hearing."

Meanwhile, Marco DeFunis (whose suit against the separate admissions policy for whites and minorities at the University of Washington Law School was declared moot by the Supreme Court because a state court had ordered that he be admitted, and by the time the case reached the Court he was about to graduate) is the author of the brief supporting Bakke filed by Young Americans for Freedom. The conservatives seem to be as split over the issues in the case as are the liberals.

JEWISH INTELLECTUALS AND QUOTAS

The split among liberals seems to result in large part from the uneasiness that many liberal Jewish intellectuals have always felt about quotas, and the conflict which they feel between this and their role as leaders of the civil rights movement. In an article in *The New Republic* of October 15th called "The War Inside the Jews," Leonard Fein writes:

> American Jews have been worrying about affirmative action ever since its inception, for fear that somewhere in the inundation of news that was sure to follow, the dread word "quota" would appear . . . .
>
> When Lyndon Johnson said, back in 1965, that "we seek not just . . . equality as a right and a theory but equality as a fact and equality as a result," organized Jewish response was enthusiastic in its endorsement. Back then, the enemy was still Bull Connor and the redneck bigots. Those few Jews who hesitated, who were inclined to wonder how an open society committed to the merit system could insure "equality as a result," were drowned out by the massed chorus singing "We Shall Overcome," and hoping. Now, a dozen years later, any Jew who sides with the University of California in *Bakke* can find himself quite isolated from his coreligionists. Every Jewish organization that has filed an *amicus* brief in *Bakke* has come down on Allan Bakke's side, against the University of California, against the 'use of race in the decision-making process of governmental agencies.' The American Jewish Congress and American Jewish Committee (together with others) have filed a joint *amicus* brief asserting that the introduction of racial quotas into public policies is "factually, educationally and psychologically unsound, legally and constitutionally erroneous and profoundly damaging to the fabric of American society."
>
> In short, a clear and uninhibited consensus apparently has emerged among American Jews, and it is a consensus quite contrary to the spirit of inspiring alliance between Jews and other excluded minorities that came so sadly unglued in the late 1960's. Jews, like blacks, have come to see the *Bakke* case as absolutely critical to the future of their groups and of the nation. But they see it very differently.

What are seen to be the issues? There is a strong argument in favor of individual rights to be made on Bakke's side, and it is being made by many of the liberals in the case. It is argued that rights belong to the individual, not the group; that the Constitution requires that state action be color-blind; that preferring disadvantaged members of minority groups for admission to professional schools is of dubious value to them as well as to everyone else, because it casts doubt on the value of the degree that they may earn. Most strongly it is argued that we cannot make up for past discrimination against one group by discriminating in the present against another. Probably lurking in the back of many people's minds is the fact that affirmative action is pressed on behalf of women as well as of blacks—if any sort of vaguely representative numerical quota is upheld by the Supreme Court, what argument can be given against future proposals to have *women* represented in various professions according to *their* presence in the population? Are law schools and medical schools to be required to enroll a majority of female students? Will there be a call for 53 percent of Congress to be women, in order to accurately reflect their population distribution?

On the other hand, it is argued that we *must* do something to recruit into professional schools qualified and highly motivated members of minorities that have been discriminated against, even if they do not do as well as others on tests. Such tests, it is argued, are very poor predictors of future success or failure in any event; studies such as Banesh Hoffman's *The Tyranny of Testing* show us that they penalize the exceptionally brilliant as much or more than the dull or uninformed. Why not have flexible standards for admission to professional schools which include many factors, including race?

This seems to be one of the cases in which the federal government is determined to expand its power no matter what. If Mr. Bakke wins his case, not only will state-run universities no longer be able to implement this kind of affirmative action program but, it is feared, neither will private universities.

PRIVATE UNIVERSITIES AND GOVERNMENT POWER

Columbia, Harvard, and Stanford Universities have all filed briefs supporting the University of California's program, presumably feeling that their own affirmative action programs are threatened. The brief of the Association of American Law Schools says if professional schools "must forgo any

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consideration of race in making admissions decision," it will lead to "substantially all-white law schools."

A possible rebuttal to this line of reasoning is contained in a *New York Times* article of October 25. It points out that problems have arisen when minority students with poor records have been admitted to law schools under a double-standard admissions policy, and says: "One result of this double standard is that black graduates tend to fail the bar examinations at much higher rates than whites." It quotes a young black lawyer as saying, "if you graduated from certain universities in certain years, your degree is suspect."

In any case, the Fourteenth Amendment guarantees equal protection in cases of action by the *state*. Why are private universities running scared? The answer is implied in a statement by Mr. Lawrence, who says in his article, "Medical students are among the most highly subsidized students in the nation, and the present economies of medical education make it impossible to provide an opportunity to everyone who is qualified. *The real issue, then, is how this scarce resource should be allocated.*" (emphasis added)

The real issue, in short, is that so much federal money seems to be going into higher education that it is all, public and private, becoming an arm of the state. The Office for Civil Rights (an agency of HEW) is already forcing the New York City school system to require black and Hispanic teachers to pick their new school assignments from one box, and white teachers, from another, under the threat of withholding millions of dollars of federal aid. Programs for university funding can be similarly affected.

THE CIVIL RIGHTS ACT

And the Supreme Court seems to be leaning in the direction of deciding the Bakke case in terms of the Civil Rights Act, rather than on the constitutional issue. This is called a "narrow" decision, because the Civil Rights Act affects everyone who engages in interstate commerce, while the Fourteenth Amendment restricts the actions of those who can be shown to be acting as agents of government. Bakke's attorney listed three grounds for the suit: the Equal Protection Clause of the Fourteenth Amendment, the "privileges and immunities" section of the California Constitution, and Title VI, 42 U.S. Code 2000(d), which is the Civil Rights Act of 1964. On October 17th the Court ordered: "Each party to this cause is directed to file within 30 days a supplemental brief discussing Title VI of the Civil Rights Act of 1964 as it applies to this case."

The Supreme Court of California affirmed a lower court decision that found the University of California had violated both Title VI *and* the Fourteenth Amendment . . . but in affirming the decision, it ruled only on the constitutional question.

Title VI says, "No person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance." Now that the U.S. Supreme Court has indicated an interest in deciding the case on the basis of this legislation, we can perhaps look forward to additional government programs to police the way in which federal funds are used to implement federally mandated affirmative action. As Professor Herbert J. Gans of Columbia University said to *U. S. News and World Report*, "A more egalitarian society inevitably requires more government regulation."

Albert Shanker, President of the United Federation of Teachers, has put it even more pessimistically. "The goal of the Washington bureaucrats," he wrote, "is not an integrated society but a totalitarian one."

It looks as if whoever wins the Bakke case, it is the individual American citizen, whatever his or her group, who is going to be the loser. But there may be a glimmer of hope on the horizon.

FEDERAL FUNDS AND AFFIRMATIVE ACTION

In sharp contrast to the attention being paid by the media to the Bakke case is the routine journalistic speculation that has greeted the announcement by medical school after medical school that it will give up federal funds rather than allow government dictation of admissions policy in another area. At stake is a different kind of quota: "department regulations that would set quotas for admission of American-born transfer students from medical schools outside the United States," as it was put in a brief account in the *New York Times*.

In a television news interview in late October, a spokesman for Northwestern University announced that it was the *thirty-sixth* medical school to turn down HEW's tuition assistance funds rather than allow "a federal bureaucracy (to) select our students for us."

"It is time," he said, "to get off the wagon."

A late November *New York Times* story said that it is only fourteen medical schools that are resisting and $11 million that is at stake. No one seems to be taking notice of the connection: that social policy as perceived in Washington is being forced as a standard on more and more American institutions. This trend is of course not limited to medical schools.

The Bakke issue seems clouded to many because it is a perfectly reasonable goal that we have more minority doctors, and no private institution should be barred from instituting any program it wishes to achieve such a goal. As was brought out in the questioning of Mr. Colvin by the Supreme Court, there is no "right of admission" to a medical school. Similarly, it may seem desirable to some medical school's faculty to encourage transfers from medical schools abroad. This does not imply that it is equally

continued on page 26

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AYN RAND AT RANDOM

By Bennett Cerf

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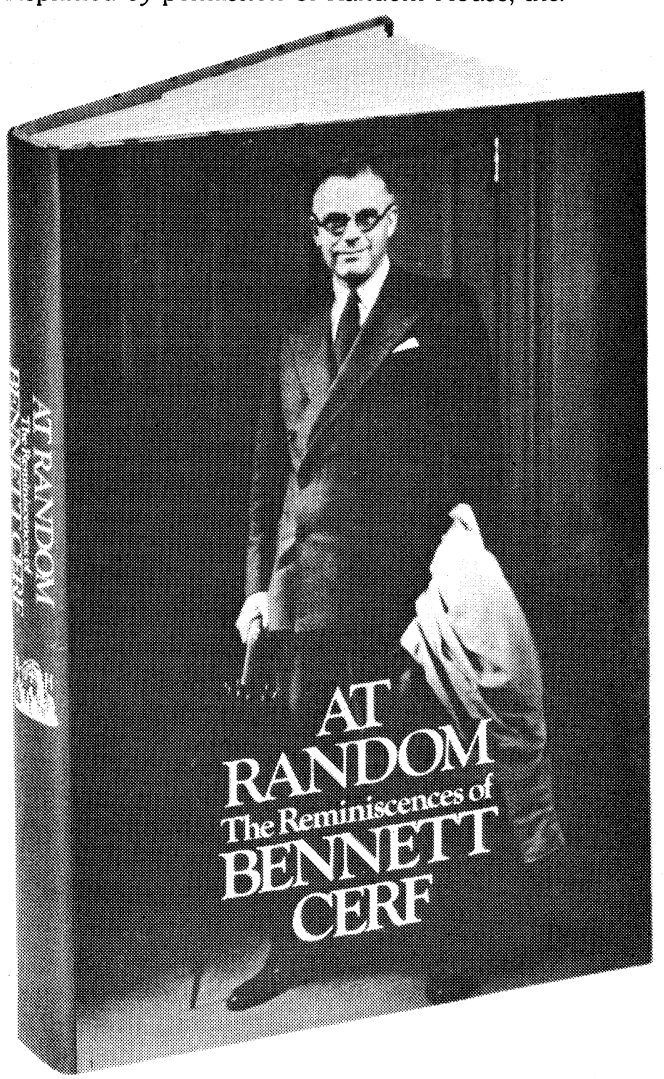

Generally, editors find a publishing firm with which they and their authors are comfortable, and stay with it for the rest of their working lives. Hiram Haydn was an exception. At the beginning of 1955 Hiram came to Random House as editor in chief. He had been at Crown Publishers before becoming the New York editor of Bobbs-Merrill, the Indianapolis firm, and I began hearing about his professional skill. I knew he was the editor of *The American Scholar*, the Phi Beta Kappa magazine, was teaching a writing course at the New School, and had under his wing a number of coming new writers, including William Styron. He had also written several books himself. When I heard that he was unhappy at Bobbs-Merrill, we got in touch with him and signed him up.

I admired Hiram—a wonderful fellow, although very exasperating in some ways. He had a great passion for first novels that other people thought were terrible. There was no way to convince him he was wrong, because he loved to help young writers—especially girls. The time he wasted with young women whose books were obviously destined to sell 918 copies! There was nothing we could do about it. He truly had us buffaloed!

Hiram had been with us for about four years when we negotiated a new employment contract with him—something unusual for use, but he insisted on having one. At about that time I went to Jamaica in February, 1959, with Moss and Kitty Hart for vacation. When I came back Donald told me that Hiram wanted us to tear up his contract. I said, "What are you talking about?" He said, "Pat Knopf has had a fight with his father, and Pat and Mike Bessie and Hiram want to start a new publishing house." When Hiram came in to discuss the matter, he said, quite logically, "You can understand this, Bennett. It's not that I'm leaving you to go to some other publisher, but that I want to go in for myself. You did it. *You* wanted to have your own firm." We had no alternative, so we tore up the contract—reluctantly, because during the four years he was at Random House he brought us a number of authors we were very happy to have and who remained with us after he left.

AYN RAND

The first of these was Ayn Rand, whose *The Fountainhead* had been published by Bobbs-Merrill while Hiram was there. I had never met Ayn Rand, but I had heard of her philosophy, which I found absolutely horrifying. *The Fountainhead* is an absorbing story, nonetheless. She was very dubious about coming to Random House, she told Hiram, because her sycophants had told her that we were way over on the left and that she didn't belong with us. But this rather intrigued her—being published by a liberal house rather than one where she would ordinarily be expected to go. Furthermore, she had heard about me—one of the extra

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dividends you get from being known. She had lunch with Hiram, Donald and me at the Ambassador Hotel, now unfortunately torn down, and asked us a lot of questions. I found myself liking her, though I had not expected to.

She had piercing eyes that seem to look right through you and a wonderful way of pinning you to the wall. You can't make any loose statements to Ayn Rand; she hops on you and says, "Let us examine your premises," I am likely to shoot off my mouth occasionally and make statements that I don't quite mean or can't quite prove, and Ayn, again and again, would nail me. We liked each other; that's the answer. She asked me an infinite number of questions. Later on, after she came to Random House, she showed me a chart she had kept. She had visited about fifteen publishers, and when she got home she rated them on all the things they had said. I didn't realize, of course, that I was being examined this way, but I came out very high because I had been absolutely honest with her. I had said, "I find your political philosophy abhorrent." Nobody else had dared tell her this. I said, "If we publish you, Miss Rand, nobody is going to try to censor you. You write anything you please, in fiction at least, and we'll publish it, whether or not we approve."

She was just finishing *Atlas Shrugged*, and by the time we published it, we had an enormous advance sale. It was her first novel since *The Fountainhead*, and we printed a hundred thousand copies, knowing there would be tremendous interest in it. Then the reviews came out. The critics were hostile, as they always were to Ayn Rand, and the sale was badly crimped for a while. We thought it was going to be a failure, but the fact of the matter is: the book has gone on and on and on, through many printings, even in spite of its availability in paperback. Incidentally, the reprint made history. *Atlas Shrugged* was very long, and there was no possibility Ayn would cut it. So for the first time its publisher, New American Library, dared to price a mass-market paperback above fifty cents—they priced it at ninety-five.

At any rate, Ayn and I became good friends. What I loved to do was trot her out for people who sneered at us for publishing her. She would invariably charm them. For instance, Clifton Fadiman, who had snorted at the idea of our publishing Ayn Rand, sat talking with her until about three in the morning. George Axelrod, author of *The Seven Year Itch*, toward the end of a long, long evening at Ayn's, disappeared with her into another room and we couldn't get him to go home. Later he said, "She knows me better after five hours than my analyst does after five years."

Ayn is a remarkable woman, but in my opinion, she was not helped by her sycophants. She's like a movie queen with her retinue, or a prizefight champion who's followed by a bunch of hangers-on, or a big crooner and his worshippers. They all come to need this adulation. These people tell her she's a genius and agree with everything she says, and she grows more and more opinionated as she goes along. You

Ayn Rand Photo by Phyllis Cerf Wagner

can't argue with Ayn Rand. She's so clever at it, she makes a fool out of you. Any time I start arguing with her, she'd trick me into making some crazy statement and then demolish me.

ATLAS SHRUGGED

But for some reason or another, Ayn liked me. She told me that one of the characters she put into *Atlas Shrugged* near the end was inspired by me. She was determined to save me, as she called it, because I was a very nice person with a very good brain that I was wasting on all the worthless causes I believed in. She was trying to convert me to her way of thinking; she didn't have a prayer, of course, but I did like to hear her expound her cockeyed philosophy.

A very peculiar thing happened early in our relationship—the first time Phyllis met her, Ayn came to our house and said to Phyllis for openers, "We have met before." Phyllis said, "Oh, Miss Rand, you must be mistaken." Ayn Rand said, "We have met before." Phyllis said, "It's impossible. I certainly would remember if I had met you." Ayn said, "No. You wouldn't. Do you remember when you were a baby starlet at RKO in the movies?" Phyllis said, "Yes." Ayn said, "I was working in the costume department there at twenty-five dollars a week, and I handed you several of your cos-

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tumes." Incredible, but true.

Ayn's a very simple and modest woman. We were on our way to lunch in Radio City once, and as we passed one of those junk shops with all kinds of statues and knick-knacks, she saw a little blue bracelet in the window, and like a twelve-year-old girl, Ayn said, "Isn't that a beautiful bracelet!" So I went in and bought it for her. It cost exactly one dollar, but she was as happy as a child.

She's so brilliant at expounding her theories! When she appeared on *The Tonight Show* with Johnny Carson, he had planned to have her on for only a few moments, but he ended by throwing out the rest of the program and even asking her to come back. He said that the mail he got from that show was enormous. People react violently to her iconoclastic statements. She's entirely against any religion. She thinks that strong, utterly selfish people should prevail, and that, in reality, two percent of the population is supporting the other ninety-eight percent. She says, "That's all wrong. The two percent should really be the gods instead of being reviled by the people they are supporting. Charity and all of this public welfare is the bunk." *Atlas Shrugged* is a story about capitalists who finally go on strike. They leave the industries to labor and say, "All right, you run them." The natural result, according to Ayn, is that everything goes promptly to hell. There's a lot in what she says.

Ayn believed that the critics were out to get her, and they really did tear her books apart. She wanted me to have reviewers fired or go to the *Times* and complain about them. I said, "I can't. If they gave your book to another critic, you'd get the same kind of review, Ayn. Whether you like it or not, most people don't agree with your ideas and it's your ideas they're attacking."

Anyway, she began doing a series of articles for a magazine she and one of her disciples publish—*The Objectivist.* Ayn collected them to be done in book form, and I said we were happy to have a new book by her, but when somebody at Random House read the manuscript—which I certainly wasn't going to do—and found that one of the essays likened John F. Kennedy to Hitler, saying that their speeches and objectives were basically the same, I read the piece and absolutely hit the roof. I called her and said we were not going to publish any book that claimed Hitler and Jack Kennedy were alike. Ayn charged in and reminded me that I had said when she came to us that we would publish anything she wrote. I reminder her that I had said fiction. I said, "You can say anything you want in a novel, but this something I didn't foresee. All we ask is that you leave this one essay out."

Ayn was enraged. But as I said, arguing with her was like running your head against a stone wall. I remember when *Atlas Shrugged* was being edited by Hiram Haydn. The hero, John Galt, makes a speech that lasts about thirty-eight pages. All that he says in it has been said over and over already in the book, but Hiram couldn't get her to cut a word. I very angrily said to him, "You're some editor. Send her in to me. I'll fix it in no time." So when Ayn came in and sat down, looking at me with those piercing eyes, I said, "Ayn, nobody's going to read that. You've said it all three or four times before, and it's thirty-odd pages long. You've got to cut it." She looked at me calmly and said, "Would you cut the Bible?" So I gave up.

At any rate, during our final meeting about the book of essays, she wouldn't stop haranguing. I kept telling her, "Ayn, I've got to go home.' (It was about six o'clock and Phyllis and I were giving a dinner party that night.) As we left the building Ayn was still repeating that I had promised her I wouldn't ever change her copy. I finally got into a taxicab, and she was still standing there on the sidewalk, talking. Finally she gave her ultimatum, "You're going to print every word I've written—or I won't let you publish the book." I said, "That's that. Get yourself another publisher." I was adamant about it. Imagine putting our imprint on such a book! Well, some other publisher took it. I must say, I don't think anybody ever read those essays. I never heard one word of criticism, and I never even saw a review of the book. When Kennedy was assassinated that fall, I wrote Ayn to ask if she didn't agree now that she was wrong. She didn't agree at all. She said the assassination had nothing to do with what she had to say. It didn't change her opinion one iota.

I liked her and still do. I miss her. I thought she was one of the most interesting authors we've ever had. Many people who disapproved of a lot of the books we publish worshipped Ayn Rand; and wherever I go lecturing, somebody is sure to pop up and say, with adoration, "Tell me about Ayn Rand." When she gave a talk at Harvard, the hall was full of students who came to hoot but stayed to applaud. They weren't convinced by her but they were impressed by her sincerity. This is a brilliant woman.

THE BAKKE CASE

continued from page 23

desirable to have such policies set for political reasons, by government officials.

Also compounding the issue is the fact that the University of California is an arm of the state and therefore required by the Fourteenth Amendment (as private universities should not be) to deal with people in a "racially neutral" manner, regardless of the social consequences.

What can be done? Fourteen courageous medical schools provide an answer. Let private universities refuse federal tuition goals and institute whatever racial policies they want. If they can do it over foreign transfers, they can do it over minorities.

Bakke should win his case, and private universities should open their eyes to the high price they pay for federal assistance.

Our institutions are in danger of becoming hooked on the most insidious narcotic of all—federal money. It is, indeed, time to get off the wagon.

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A RIGHT-WING REUNION: The 1977 Convention of the Young Americans for Freedom

By Tom G. Palmer

The 1977 national convention of the right-wing youth organization Young Americans for Freedom met recently in New York City, and in many ways it showed the direction the American right wing is taking in these days. YAF is not what it was ten years ago, yet it is still around, and occasionally manages to exert some influence on the political scene. There are presently far fewer YAFers than during the days of the Vietnam War, when thousands of students were signed up in campaigns against the violent excesses of the antiwar left, (even though their membership is up from 1975, due to the influx of new members and funds generated by the emotions of the Reagan campaign for the Republican Presidential nomination.) Now, YAF is down to the hard core; probably no more than 6,000 Americans belong to YAF—a large portion of these are non-active or adult associate members—and few states have active state organizations. Their major strength seems to lie mainly in the Northeast (particularly in New York), and in the South.

The pantheon of present YAF heroes prominently features Ronald Reagan, YAF founder and National Review editor William Buckley (though even he has strayed from the path in his endorsements of decriminalization of marijuana and the Panama Canal treaty), South Carolina Senator Strom Thurmond (presently orchestrating much of the saber rattling over Panama), North Carolina Senator Jesse Helms, and rabble-rousing rightist Robert K. Dornan, a rising star. The issues they like to talk about are the Panama Canal, Communist slavery, East-West trade, and "free enterprise" (to be distinguished from the "free market"). They represent a good deal of the mainstay of the American right—maintaining a dying tradition in league with the thousands of "little-old-ladies-in-tennis-shoes" who devotedly skimp on meals so they can send a part of their monthly social security check to (check one): stop the canal giveaway; fight the Reds and Pinks who are taking over the campuses; elect Ronald Reagan; alert the public to the menace of Communist invasion; stop America's moral decline.

Approximately 450 delegates (and perhaps 150-200 other members) gathered at the Statler Hilton Hotel in New York City from August 24th to 28th to prepare resolutions, elect new officers, lay plans for the future, and party. They were sporting buttons with such slogans as "Amy Carter Sells *Pink* Lemonade," "Register Commies—Not Guns," "Don't Ditch Our Canal," and "Speak Softly and Build the B-1." The turn-out was well in excess of their 1975 Chicago convention, where they were racked by internal dissension. At that convention, several state delegations were not seated and nine members of their twenty-five member national board boycotted, thus forfeiting their memberships. I went to New York with another libertarian to set up a table for the Young Libertarian Alliance, hoping to find some sparks of libertarian sentiment that might be fanned into flames. Little did I know how futile our efforts would be.

I had once, many years ago, been an active YAFer and was interested to see where they had gone and what they were like. My own YAF involvement began while a freshman in high school as chairman of the Edison-Fountain Valley High School chapter in Orange County, California. Up I climbed, to chairman of the Orange County YAF Council, vice-chairman of CAL-YAF, treasurer of USC YAF, Executive Director of CAL-YAF, chairman of a U.S. Senatorial youth campaign, and potential candidate for the national board of the nation's largest (read only) explicitly conservative youth group. My political baptism in YAF taught me a great deal and, now that I have put a considerable distance between myself and the right, I look back on my experiences with a certain fondness. My years in the Young Americans for Freedom, before my switch to libertarianism, gave me numerous insights into the mind of the young conservative and what makes him tick.

We arrived with a busload of YAFers from Virginia Wednesday afternoon and proceeded to set up out table of pamphlets, books, banners, and the like. The next five days would certainly have to counted among the most depressing and boring of my life. Not only were most of the YAFers uninterested in the free market, but I would not count the present crop among the intellectual cream of American stu-

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dents, either. Granted, the meeting was held in New York (the bulk of the delegates were New Yorkers), which most of the more intelligent YAFers assured me was their intellectual "black hole." The Southern YAFers were by and large better versed in matters involving thought, but they were far outnumbered in a sea of knee-jerking right-wing New Yorkers.

As soon as the table was up, and our flyers neatly arranged, we were accosted by the boisterous and stentorian huckster lady in the next booth. She promptly attempted to sell us Japanese made "authentic Indian jewelry", buttons proclaiming "Only a peanut would sell our canal" and "Reagan in '80", and "Official red-neck" tee shirts. The lady had set the tone for the next four days. Most of the right-wingers who walked by would leaf through a flyer or two, espy a paragraph on victimless crimes or some such red flag and then shake their heads as they wandered off, leaving the flyer unread on the table. One bright looking Louisiana YAFer, in response to an invitation to help himself to any of the literature, responded that he had heard that some libertarians were anarchists and, he sputtered, "they should not be tolerated in society." "Well," I responded, "no one ever hurt himself by reading a flyer." To the contrary, he replied, he "wouldn't want to be corrupted by reading any libertarian literature."

The openly "Neanderthal" striplings were not the worst, however. There are few things I find more irritating than the smug ideologue who volunteers that he is "basically a libertarian, but. . ." "But what?," I ask. Queers recruiting our children, the Communists in (pick a country), bomb torrijos into the Stone Age, militarize (it's the price you pay to live in a "free" society), etc, etc, ad nauseum. (Anita Bryant, who was invited to address the meeting, declined, but her supporters were there in force, many of them claiming to be "basically libertarians, but. . .").

The average YAFer, grudgingly obligated by his national leaders to acknowledge support for at least some deregulation and opposition to the minimum wage, drops everything when the chance comes to support militarism. YAFers delight in heated arguments over military strategy (if only we had bombed the dikes!), the only outlet for cerebral exercise for many of them; and one was subjected to one armchair general after another in seemingly endless succession. How many times did I hear conservatives tell me shrilly that "they would be willing to die for Panama"? "But what about those of us who don't share your fervor for things military," I ask, "would you contradict your position on the draft and call for conscription?" There's the rub. "Conservatives only oppose conscription during peacetime, but not in time of war" (like with Panama), they state.

The speakers were often no better. Some of the lightly attended panels covered topics like the minimum wage and governmental employment policies, but they were nothing compared to Bob Dornan describing how he and his "little woman" pummeled and bloodied a "Communist" with a "Commie" flag who dared to wave it during our nation's celebration of freedom. Ronald Reagan then proceeded to denounce the canal "giveaway." The right-wing attitude on this subject might be summed up in the lead quip from *National Review* the following week (which was bandied about the convention), "they say the neutron bomb can wipe out tinhorn dictators without damaging canals."

I also found out to what extent the new YAFers support "freedom." Free trade with unapproved nations was out, as that "would allow the Commies to walk right in" (how this position was arrived at beats me). A motion to bring to the floor a resolution calling for decriminalization of "private usage" of marijuana was overwhelmingly defeated. The members of Ian Smith (!) YAF proposed a resolution calling for recognition of Rhodesia and Transkei, on the grounds that recognition did not necessarily imply approval of the

YAF represents the mainstay of the American right, maintaining a dying tradition.

recognized nation's internal policies. But (horrors!) this principle would require YAFers to call for de facto recognition of Red China and Albania. The resolution which finally passed, in addition to calling for recognition of and trade with the racist regimes, praised South Africa and Rhodesia for their "unique solutions to their own unique problems" (apartheid), "recognized that white people had settled there before any Negro tribes," and claimed that "all of the economic and cultural progress was the result of a small minority (i.e. whites) within those nations." Besides calling for recognition and trade (though clearly selectively applied, this is fully in accord with libertarian non-interventionism), the YAF cadets, in all their puffed-up sanctimoniousness, went on to call for aid to freedom-loving Rhodesia in fighting off Communist terrorists. Remember Ronald Reagan in 1976 not ruling out commitment of American troops to southern Africa?

I am reminded by all this of the 1975 Western regional convention of YAF which, in its assembled righteousness and wisdom, called on *April 12* for committing 500,000 American troops to the defense of freedom-loving South Vietnam. Viet Cong troops occupied Saigon three days later, on April 15. The main bone of contention among the Western YAFers was whether or not to unleash *nuclear weapons* against the North Vietnamese people.

This is a theme which is echoed throughout the right. "Limited nuclear war," one hears, should be kept open as a

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policy option in brushfire wars. Herein, we find, lies the source of their fervent support for right-wing social democrat James Schlesinger, noted proponent of the limited nuclear war viewpoint. Schlesinger openly opposes all of the old goals to which rightists give lip service: limited government, free enterprise, and the rest. But he does share most important views with YAF: foreign policy adventurism, support for the militarized economy of the warfare state, and a general penchant for what Harry Elmer Barnes called "globaloney".

The convention had its better moments. One or two of the inevitable '50s parties were enjoyable and showed a glimmer of the old YAF—while the politics haven't changed much, certainly the members were more interesting at one time. The real high point of the week, however, was saved for Saturday night. Demonstrating that even wild-eyed warhawks have a sense of humor, YAF sponsored a roast of William Buckley. Among the roasters were Henry Kissinger, 60 Minutes host Mike Wallace, American Conservative Union luminary Stan Evans, former YAF chairman David Keene, National Review publisher Bill Rusher, and Americans for Democratic Action leading light Allard Lowenstein. The dinner opened with a bit of in-house right-wing humor—Keene's description of a sixty-seven year-old YAFer sporting a day-glo orange leisure suit who accosted him in the lobby with his fears about Kissinger and the CFR. This elicited peals of laughter from the group (you really have to know something of the foibles of the right to appreciate this anecdote fully), and set the stage for a hilarious tongue-in-cheek (and well-received) lampooning of the conservative movement and its Godfather, Bill Buckley.

Aside from this good-humored respite, the whole convention really drove home to me how far removed the rank-and-file of YAF is from any authentic concern with liberty. War, militarism, repression of civil liberties, and out-and-out statism are clothed, not very artfully, under a superficially attractive cover of "freedom", "free enterprise", and opposition to oppressive socialism. Indeed, the slogan which adorned the convention program and was draped behind the podium boldly declared "Freedom Not Socialism." However, just what that freedom means to most YAFers is something very different from what one might expect. In effect, theirs is simply socialism under a different name—the war economy. Everything—lives, freedom, property—must be sacrificed to defeat the schemers in the Kremlin. One senses, however, that if the Kremlin were still run by Alexander Kerensky or his heirs, a new enemy would be found and a new crusade launched. In any case, Young Americans for Freedom and their fellow rightists are not simply ineffectual defenders of freedom, as they are sometimes perceived. They are, in fact, among its most outspoken opponents.

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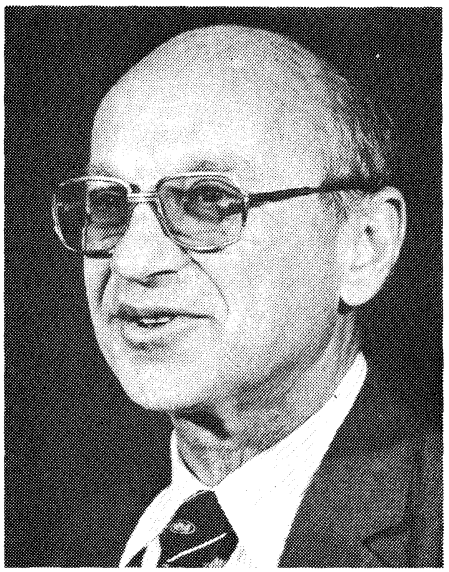
Books and the Arts



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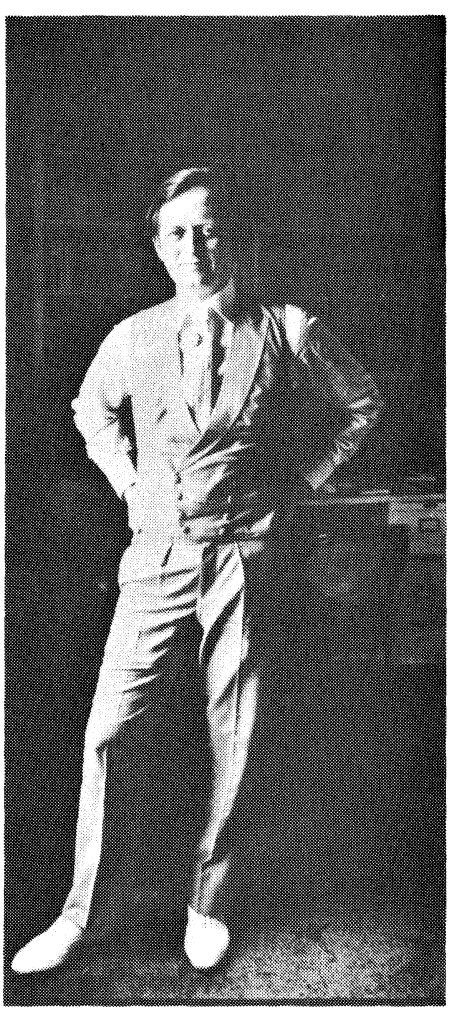
Milton Friedman's Nobel Lecture, Page 34



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Tom Wolfe, author of MAUVE GLOVES & MADMEN, CLUTTER & VINE, page 33

The Nationalization of Culture

By John Hospers

The Nationalization of Culture:
The Development of State Subsidies
to the Arts in Great Britain
By Janet Minihan
New York University Press
249 pp., $15

This book was originally a doctoral dissertation written at Columbia University. Though completed in America, it deals entirely with the history of government support of the arts in Great Britain from 1800 to the present. Each chapter deals with a decade or a generation of British history, detailing the measures (or lack of them) taken by the British government during that period in support of the various arts.

As history, this book has considerable interest for those who care about its subject. But the history seems to be there always to prove a point, for which the entire book is a kind of *apologia*; the thesis is that the arts flourish only when they are supported by State subsidy, and without the help of the State the arts tend to wither. The passage she quotes from the historian Edward Bulwer-Lytton (1833) could well be taken as the motto of the book: "If ever the people of this country shall be convinced that a government should be a providing government and not a yielding one. . .I apprehend that one of the first axioms we shall establish will be this: whatever is meant for the benefit of the people shall not be left to chance operation, but shall be administered by the guardians of the nation."

According to the author, it was only after the British government subsidized music that British music came into its own (apparently she is referring to its public performance, not to its creation). Between World Wars One and Two, when the British government ceased to subsidize British films, Britain's film industry fell into decline and gave way to Hollywood (which, she neglects to mention, was *not* subsidized by the American government.) Whenever there is a period of artistic decline in Britain, she hastens to assure is that this is because the British government did not sufficiently subsidize the arts during that time.

But this is the old fallacy of *post hoc, ergo propter hoc* (after this, therefore because of this). It is no more convincing than saying that because I bow to the east every morning before sunrise, and every morning the sun rises, therefore the sun rises because I bow. Government support tapered off and British films declined, therefore the decline must be attributed to lack of government support. What has to be proven is that *if* condition A had not existed, then condition B would not have followed it; and contrary-to-fact hypothetical statements, as every student of philosophy knows through grappling with them, are notoriously difficult to establish.

What would have happened if the State had *not* subsidized the arts is, of course, an extremely "iffy" question; no one can claim to know for sure what would have happened. But it is at least plausible to contend that since there have always been many people in Britain who were, and are, passionately devoted to the arts, some of them

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would have given voluntarily to the support of the arts if they had not been prevented from doing so by Britain's confiscatory tax structure. How many great artists or promising geniuses might such men of means have discovered and nurtured if their choices had not been closed off by government policy?

Haydn's musical career was sustained through a long creative life by Count Esterhazy, out of the count's private fortune; can one really be sure that the government committees in charge of subsidizing British art would have recognized the genius of a Haydn as Esterhazy did, and supported him? And if they had, would this have been better than having a private patron? The author, for her part thinks that the government subsidy route is always better because private patronage makes the artist dependent on the patron's whim: "Patronage, based as it was on one man's whims and fancies, was no substitute for state encouragement". But even if patrons' choices are whimsical (which they often are not), can the decisions of government committees and councils be considered any less so? Are members of such committees able to recognize artistic potential better than a Count Esterhazy?

Nor is the crucial moral issue ever discussed or even mentioned: why should everyone, including the corner shopkeeper who cares nothing about art but whose taxes are raised every time there is an additional government subsidy, be forced to pay for the tastes of others? Why is it better for everyone to be forced to support the arts, including those who have no interest in them, than for those who can and wish to, to do it on their own? The moral issue of how the use of force and threat of force is justified, even for the alleged beneficiary's own good, is never raised, nor is there any evidence in the text that the author is aware of the problem. She has read extensively in the literature of ideas in Britain, but there is no evidence that she has ever read Mill's *On Liberty*.

Nor does the author appear to have any knowledge of economic reality. Nothing dries up the springs of voluntary financial support as much as government intervention, with consequent high taxation, deficit spending, and inflation; but the author never considers what might have happened if the British taxes had not been so high. By arguing for even more government support now (in a sinking British economy), she is implicitly arguing for still more taxation and inflation. Is this what she wants? One cannot say, for she appears to discern no connection between these things. For all one reads in this book, she may have the naive belief that "government money" is like manna falling from heaven, requiring no sacrifice from anyone. More probably she knows that "government money" must be extracted from every taxpayer, but belior ann this book, she may have the naive bent money" is like manna falling from heaven, requiring no sacrifice from anyone. More probably she knows that "government money" must be extracted from every taxpayer, but believes that "it's worth it to make them pay, even if they don't want it—after all it's for their own good." She appears to be quite unacquainted with any arguments for a free market. It is not that she brings them up and tries to refuse them; she simple never considers any free-market alternative.

Yet every libertarian knows that to require public financing for one enterprise after another is a formula for disaster. Group A wants government support for its project, as do groups B, C, and D. While the tax burden is not materially increased by A or B alone, the cumulative effect of all of them is ruinous. The history of increased government subsidy to the arts in Britain, which thz autto applauds with undisguised enthusiasm, becomes, as one reads page after page, a history in miniature of what has happened to the British economy today. But the author, blind to the most obvious economic facts, demands more of the same. Though the book is a 1977 publication, she makes no mention at all of Britain's current economic plight, much less of the reasons for it.

Professor Stuart Hampshire, in his enthusiastic review of the book (*New York Review of Books*, May 13, 1977), takes great pains to argue that aesthetic values are "objective". But these arguments are irrelevant to his defense of the book's thesis (nor does he show any more awareness of economic considerations than does the author herself). From the fact, if it is a fact, that aesthetic values are in some sense objective (which I would be prepared to defend elsewhere), it does not follow that they should be *forcibly imposed* on others via State intervention. Aesthetic perceptions are like truth: A may be better than B, or A may be true and B false, but you cannot convince others of this by forcing unwelcome works of art down their throats, or indoctrinating them with beliefs, however true, without providing evidence for them.

Besides, even if aesthetic values are objective, there is no guarantee that any one individual, say a member of a government committee deciding which arts or artists to subsidize, correctly apprehends this objective value in a particular case. He may choose the "safe" mediocrity, thus increasing the tax load on the real but overlooked genius. In any case, subsidy does not always have its intended effect of securing creative endeavor, even on its recipient: after Sibelius was subsidized by the Finnish government, his creativity seemed to dry up. Security often has strange effects on its recipients.

One aspect of the author's treatment is especially worthy of note. She is mainly concerned with the visual arts, especially painting and architecture, though she briefly discusses also music, film, radio, and television. She does not treat literature at all, except for drama. But literature is the great and distinctive art of Great Britain through the ages. The greatest artistic tradition in France is that of painting; the greatest artistic tradition in Germany is music; but the sublime achievement of Britain is its literature, from Chaucer to the present, a longer unbroken tradition of great literary art than any nation in any known culture has yet produced. Novels, short stories, essays, poems—more outstanding examples of each of these genres have come from Britain than from any other country. Yet literature has hardly ever been supported by the State in Britain; authors, unlike painters and sculptors, have always been "on their own". Is it

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coincidental that she fails to treat the most conspicuous and glaring exception to her own thesis?

It is true that drama, which is one form of literature, is supported indirectly by the State in Britain, through *performances* of it, e.g. by the Old Vic. But the Old Vic specializes in the classics, staging more Shakespeare than all contemporary dramatists put together. And Shakespeare, the greatest poet and dramatist of them all, never got a penny of State support. Queen Elizabeth I, in whose reign Shakespeare wrote, not only did not grant government subsidies to dramatists in the greatest period of drama in the world's history, but Elizabeth opened the government treasury to almost nobody—not even to the adventurers who sailed under the British flag, who equipped their ships from their own coffers, not even the colonists who spread the fame of Britain round the world, not even, to any great extent, the men who fought and conquered the Spanish Armada and ushered in the great Elizabethan period of ritish ascendancy in trade, commerce, *and* artistic creativity. (See Rose Wilder Lane, *The Discovery of Freedom*, pp. 33-4.) Miss Minihan begins her considerations with the year 1800; had she gone back further, she might have come to grips with the greatest period of artistic creativity in Britain's history, and the conditions of freedom and personal initiative that helped bring it into being. Anyone who is tempted by the idea that State support is essential to the flourishing of the arts, should ponder the great counter-example, the Elizabethan age of drama, poetry, and music. If the greatest age of creativity was initiated and sustained in the absence of State support, what conclusion should we draw about the other ages?

The Mauve Decade Revisited

By Jeff Riggenbach

Mauve Gloves and Madmen, Clutter and Vine
By Tom Wolfe
Farrar, Straus and Giroux
243 pp., $8.95

At one point in his essay on "Pornoviolence"—number eight in the series of twelve "stories, sketches and essays" which makes up this collection—Tom Wolfe invokes the Roman decadence, specifically the gaudy, terrible reign of Marcus Aurelius's son Commodus, who "became jealous of the celebrity of the great gladiators . . . took to the arena himself, with his sword, and began dispatching suitably screened cripples and hobbled fighters. Audience participation became so popular that soon various *illuminati* of the Commodus set, various boys and girls of the year, were out there, suited up, gaily cutting a sequence of dwarf and feebles down to short ribs." Wolfe invokes this historical nightmare as an image of what awaits our own culture.

And whatever one may think of that particular prognostication, one has to applaud Wolfe's acuity in picking out the Roman *decadence* as the period in which to see our own prefigured. Decadence, according to Arthur Symons, is characterized in its practitioners by "an intense self-consciousness, a restless curiosity in research, an over-subtilizing refinement upon refinement, a spiritual and moral perversity." A period of decadence is a period in which established rules and conventions, the commonly accepted conceptions of "how things simply are and are not done, my dear," in art, in scholarship and in life, are in disarray. A decadent period is a period in which authority as such is in a state of decay, and individuals are going their own ways, making their own rules, running their own lives. It is a period in which the Lifestyle is the magnum opus and principal concern of every modern self—so that individuals undertake self-exploration with a restless, insatiable curiosity, and form themselves as they see fit, other people's spiritual and moral values be damned—so that every modern individual follows Oscar Wilde (chief representative, with Arthur Symons, of another famous decadent period, the 1890s) in putting only his talent into his work, while reserving his genius (a word which means both "greatest talent" and "distinctive character") for his life. A decadent period is, in short, a period much like the one we are all living in.

And this is the thrust of Wolfe's latest book—that the essence of our era is its diversity, the extent to which everybody is "doing his own thing." In his title essay, he examines the impulse to stylize one's life—the impulse to deck it out with all it needs to become (or, at any rate, to *look*; as integrated and meaningful as the life of a well-written fictional character—and the gradual tendency to regard those needs as literal necessities of life. In "The Man Who Always Peaked Too Soon"—a comic strip in the manner of Jules Feiffer (though if the two were compared with due attention to their excellence with such cartoons, Feiffer would probably be said to work in the manner of Tom Wolfe)—he probes the plight of the cultural avant-gardist, the person who is always ahead of the fashion in Lifestyles.

In other pieces, which might be called essays in the literary criticism of life, he explicates the symbolic significance, the meaning, the import, of various Lifestyles and components of Lifestyles, considered in relation to contemporary urban North American culture as a critic might consider imaginary lives in relation to the meaning of an entire novel: hostage-taking, sexual freedom, funky chic, advertising, and the violence (mostly verbal) directed at each other by drivers and pedestrians in crowded big city streets. In what is probably the finest performance in the book and certainly the best commentary I've seen on the cultural significance of the Vietnam War, he elaborates on the affinities battle has with sport and chivalry.

And in the essay which really sums up his thesis, "The Me Decade and the Third Great Awakening," Wolfe lays it on the line:

> The saga of the Me Decade begins with one of those facts that are so big and so obvious . . . no one ever comments on them any

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more. Namely: the thirty year boom. Wartime spending in the United States in the 1940s touched off a boom that has . . . pumped money into every class level of the population on a scale without parallel in any country in history.

Even "in the city of Compton, California, it is possible for a family of four at the very lowest class level, which is known in America today as 'on welfare,' to draw an income of $8,000.00 a year entirely from public sources. This is more than British newspaper columnists and Italian factory foremen make, even allowing for differences in living costs. . . . the word 'proletarian' can no longer be used in this country with a straight face." By the 1960s, "ordinary people in America were breaking off from conventional society, from family, neighborhood, and community, and creating worlds of their own. . . . The hippies were merely the most flamboyant example . . . Dope, sex, nudity, costumes and vocabulary became symbols of defiance of bourgeois life." ". . . still others decided to go . . . *all the way* . . . straight toward what has become the alchemical dream of the Me Decade.

The old alchemical dream was changing base metals into gold. The new alchemical dream is: changing one's personality—remaking, remodeling, elevating, and polishing one's very *self* . . . and observing, studying, and doting on it. . . . This had always been an aristocratic luxury, confined throughout most of history to the life of the courts, since only the very wealthiest classes had the free time and the surplus income to dwell upon the sweetest and vainest of pastimes.

When contemporary intellectuals conceive "modern man," Wolfe writes, "the picture is always of a creature uprooted by industrialism, packed together in cities with people he doesn't know, helpless against massive economic and political shifts . . ."

But once the dreary little bastards started getting money in the 1940s, they did an astonishing thing—they took their money and ran! They did something only aristocrats (and intellectuals and artists) were supposed to do—they discovered and started doting on Me! They've created the greatest age of individualism in American history! All rules are broken! The prophets are out of business!

But not, thank Wolfe, the cultural critics.

Friedman's Nobel Lecture

By Richard Ebeling

Inflation and Unemployment:
The New Dimension of Politics
By Milton Friedman
Institute of Economic Affairs
36 pp., $2.75

A Nobel lecture is usually seen by the recipient as an opportunity to sum up his life's work and discuss its relevance for problems facing his discipline and society in general. Milton Friedman is no exception to this rule.

In this reprint of his 1976 Memorial Lecture, *Inflation and Unemployment: The New Dimension of Politics*, Friedman presents, once again, his "positivist" methodology: scientific knowledge, he argues, is obtained by the formation of a "tentative hypothesis" that is then tested against empirical data, with the purpose of weeding out poor theories and leaving those that successfully produce quantitative predictions of economic events.

Practicing what he preaches, Friedman considers a number of hypotheses concerning the relationship between unemployment and inflation and then contrasts them with the "observed facts." Friedman makes his now famous criticism of the Phillips Curvrr hypothesis—that an inverse relationship exists between the rate of change in prices and unemployment. He argues that based on the "facts" a more convincing case can be made for the Natural Rate hypothesis—that there is a "natural" level of unemployment determined by underlying factors such as market frictions and institutional rigidities, towards which the economic system gravitates.

If the rate of monetary expansion is unanticipated, Friedman states, the initial response will be an inducement towards greater output and employment. But as the market participants come to anticipate the rate of price change, money wages and prices will be bid up, the stimulus towards greater employment and output will diminish and the employment rate will return to its "natural" level.

He argues, further, that attempted adjustments to high rates of price-inflation have brought about a situation in which, even in the short-run, unemployment cannot be reduced by price increases, hence "stagflation."

Friedman's policy conclusion, of course, is the "monetary rule." If the money supply increases 20 per cent a year, this will tend to raise the "price level" by an equivalent amount. With this knowledge, wages and prices could be accordingly marked up in anticipation of the price change and economic distortions would be minimized.

Now, in fact, the relevant decisions market participants must make pertain not to changes in the "price level" but, instead, relate to the various relative prices that enter into production and consumption choices. Monetary increases have their peculiar distortive effects precisely because they do not affect all prices simultaneously. Increases in the money supply enter into the system as larger cash balances held by particular individuals. How they spend their additional money will affect some prices before others and, therefore, change the relative profitability of producing alternative goods in the market. These monetarily-induced changes in relative prices will distort the distribution of resources and labor among sectors of the economy. Employment opportunities will initially increase in certain types of jobs. But unless the monetary expansion is continued and increased, it will eventually become obvious that these jobs have been made profitable through monetary manipulation, not because of consumer preferences. At this point in the process, workers drawn into these activities will face unemployment.

What keeps Friedman from seeing this alternative method of analysis is his insistence on data that is statistically measurable and observable. But this means his analysis must tend to run in terms of aggregates and averages that submerge the individual choices and decision-making that make up the necessary links in market activity.

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This inclination of Friedman's comes from his "positivist" method. Knowledge in economics, however, is not obtained by postulating "tentative hypotheses"; these are only necessary when the causes of events are unknown. In economics, our knowledge is gained through understanding the logical choice process of acting individuals. By downplaying this unique characteristic of the social sciences, Friedman is, in fact, acting in a highly unscientific manner. A good antidote would be for Professor Friedman to read Professor Hayek's Nobel Lecture, "The Pretense of Knowledge," reprinted in *Full Employment at Any Price?*, also published by IEA.

HENDERSON

continued from page 9

pital case. In this case some women thrown out of work by the District of Columbia minimum wage law sued to enjoin enforcement on the grounds that the minimum wage violated the due process clause of the Fifth Amendment. The Court overturned the law in a 5-3 decision and their reasoning is worth repeating:

The right to contract about one's affairs is part of the liberty of the individual protected by the Fifth Amendment. There is no such thing as absolute freedom of contract, but freedom is the rule and restraint is the exception. The statute in question is simply a price-fixing law forbidding two parties to contract in respect to the price for which one shall render service to the other.

The price fixed by the board has no relation to the capacity and earning power of the employee, the number of hours worked, the character of the place or the circumstances or surroundings involved, but is based solely on the presumption of what is necessary to provide a living for a woman and preserve her health and morals.

The law considers the necessities of one party only. It ignores the necessities of the employer by not considering whether the employee is capable of earning the sum. If the police power of a state may justify the fixing of a minimum wage, it may later be invoked to justify a maximum wage, which is power widened to a dangerous degree. To uphold individual freedom is not to strike down the common good, but to further it by the prevention of arbitrary restraint upon the liberty of its members.

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By Adam Smith

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LETTERS

continued from page 2

form of hysteria. But from a demonstration of the dismal performance of many intellectuals, one can conclude nothing about the subject under discussion. We were careful to point this out in the article in question.

To sort out Rothbard's muddles would be a lengthy, tedious and unrewarding task, as this typical example illustrates. I hope that the Review will try to attain somewhat higher intellectual standards.—Noam Chomsky, Department of Linguistics and Philosophy, Massachusetts Institute of Technology, Cambridge, Massachusetts.

Murray Rothbard Replies: Professor Chomsky's lengthy letter hinges on a misreading of a reference of mine to his and Herman's article in the *Nation*. When I wrote that his arti-cle "brusquely dismiss (ed)" "such statements" of Cambodian officials simply because they were reported in the Thai press, the linguist Chomsky triumphantly changes this to "the statement" and preceeds to refute something I never said. In fact, later in his letter Chomsky admits that he believes that the basis for Lacouture's charges "disappears" simply because a Thai reporter is quoting a statement made to him by a Cambodian official. If this is not "brusque dismissal," what is?

Indeed, the Chomsky-Herman article is itself a fascinating exercise in propaganda. In addition to dismissing the Thai reporter, Chomsky and Herman dismiss accounts of Cambodian refugees as "at best second-hand." Apart from a striking callousness toward the victims of terror, one wonders how we can get more first-hand accounts of a country which has been tightly sealed off from the outside world by its rulers. There is also the Chomsky-Herman statement that Cambodian executions "have numbered at most in the thousands", the "at most" striking a piquant note reminiscent of Stalinist apologetics of the 1930's. At one point, ChomskyHerman seem to admit "much brutal practice." It would be nice to hear from Chomsky what evidence has convinced him of brutal practice in Cambodia. Of course, Chomsky fails to recognize that the brutal practice "in working for egalitarian goals" might have had something to do with those very goals.

Furthermore, stress on executions alone ignores the fact that the great part of the deaths in Cambodia have occurred as a corollary to the "forced labor without respite", the deprivations, and the horrors of a population thrown unprepared into a rural world by the terror of the regime. (See R-P. Paringaux, "Evades du Cambodge," *Le Monde*, Sept. 8-14, 1977).

Chomsky-Herman's methods of reporting may be gauged by their reference to the interview held by Cambodian leader Khieu Samphan with the Italian weekly *Famiglia Cristiana*. After stating that Samphan concedes a million deaths during the war, they assert that "nowhere in it does Khieu Samphan suggest that the million post-war deaths were a result of official policies..." And yet, the report of the interview in Barron and Paul's *Murder of a Gentle Land* says as follows: the Italian correspondent: "If 1 million persons died in the fighting, what happened to the remaining 1 million?" To which Samphan replied: "It's incredible how concerned you Westerners are about war criminals."

But the major problem with Chomsky is that, by concentrating on the minutiae of reporting, Chomsky almost wilfully refuses to sse the forest for the trees: namely, the reports of thousands of refugees which reveal the Cambodian regime as one of unparallelled brutality and mass murder. To quibble about precisely *how many* people have been killed is to return to the old Stalinist quibble about exactly how many verifiable Russians have been murdered or placed in Gulags, or indeed the equivalent of apologists for the current Chilean regime quibbling about the exact number of Chileans tortured by the government. Furthermore, it is to use that numbers game—about numbers impossible anyway to verify in a tightly closed society—to try to cast doubt on the reality of the mass brutality itself.

Since writing my article, evidence of the horrors of the Cambodian regime has continued to pile up and intensigy. We have learned of such monstrosities as the systematic murder of sick people (who are, after all, drains upon social resources in a socialist country) and the death penalty for more than two examples of disobeying the authorities. Much of what we have learned comes from sources (e.g. the *Far Eastern Economic Review*) which even Chomsky and Herman hail as providing "analyses by highly qualified specialists who have studied the full range of evidence available." Thus, we find that, in the new Cambodia, "The charge of being 'old dandruff' is the most dreaded that can be thrown at anyone, meaning that person suffers from 'memory sickness' or a tendency to dreamof things past for which the peanlty can be death." (Donald Wise, "Eradicating the 'Old Dandruff' ", *Far Eastern Economic Review*, Sept. 23, 1977, p. 33. For a wide political spectrum of articles with similar reports, see Nayan Chanda, "The Pieces Begin to Fit," *Far Eastern Economic Review*, Oct. 21, 1977; Stephane Groueff, "The Nation as Concentration Camp," *National Review*, Sept. 2, 1977; Henry Kamm, "Refugees Depict Cambodia as Grim, Work-Gang Land," *New York Times*, Oct. 31, 1977; Barry Kramer, "Asian Blood Bath," *Wall St. Journal*, Oct. 19, 1977; "Cambodian Regime Breaks Official Silence," *Intercontinental Press*, Oct. 17, 1977.)

It seems to me that the issue is clear: that no one can qualify as in any sense a libertarian who fails to react in horror at the Cambodian regime.

Another disturbing point about Chomsky's letter is his total evasion of the central thrust of my article, one which he brusquely dismisses as "hysteria." That point was to demonstrate that socialism, necessarily denying as it does private property in the means of production, must result in a dictatorial and tyrrannical regime. Cambodia, on which Chomsky showers exclusive attention, is but the latest of a chilling array of twentieth century examples.—Murray N. Rothbard, CATO Institute, San Francisco, California.

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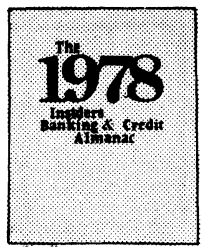

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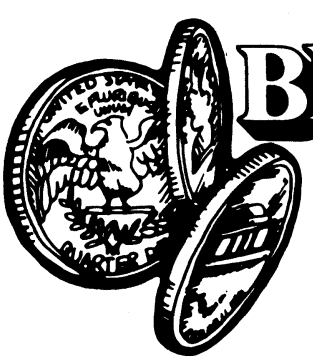

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